

A HISTORY OF
ADMINISTRATIVE REFORMS
IN
HYDERABAD STATE

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**BY
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PREFACE

THIS is an humble attempt at presenting a brief account of the administrative history of the Dominions of Hyderabad, from the time the Asaf Jahi dynasty was established here to the present day.

When the Mughal Empire was passing through its days of turmoil, political disease and self-annihilation, Nizam-ul-Mulk strived hard to set things in order at the place of the central authority, viz., the Court of Delhi. It was in despair only, that he repaired to the Deccan, where he was formerly a Governor under the Imperial Rule, and where he, on his return, tried to catch the hearts of all the sections of the people inhabiting the Deccan, and mould them into an independent body-politic, called the Dominions of Hyderabad.

The legacy that he has left behind him to his successors runs in the following terms:—

“It behoves the Prince of the Deccan to be at peace with the Mahrattas, who are the land-holders of this territory.

“Be careful how you destroy the human fabric, the Constructor of which is the God of all the worlds. The criminal who deserves to be put to death deliver over to the Qazi, who is the administrator of justice.

“Be not a friend of ease and give not up travel, for on that depend many arrangements; and consider that quarters are necessary for people’s repose, and it is also well to station troops near their homes, so that population may go on.

“Distribute your whole time, night and day, in the service of God, and the business of His people, and in relaxation, and never sit idle.

“In important affairs ask the blessed intercessions of venerable and holy men.

“Destroy no man’s rights, and give to each servant his time of service, and after a year or so remove one man and appoint another, but do not appoint a mean man to do a noble man’s work or vice versa.

“Keep each man in his proper bounds, and look upon younger brothers as sons, and do not admit mean persons to your company or court, and do not relinquish the respect due to the Shadow of God (the Emperor), who is your benefactor. Nadir Shah, the ruler of Persia, came to Delhi with overwhelming force, and through his excessive favour towards me showed inclination to bestow on me the Empire

of India. I immediately said, 'We are servants, and I should become notorious for ingratitude, and Your Majesty would incur the odium of breach of faith.' Nadir was delighted, and applauded what I said.

"As far as possible, do not take the initiative in war, not even if your adversary should be inferior to you. And when your opponent commences war against you, ask help of God and strive to repel him; and seek not war with one who proposes peace."¹

This is a noble advice worthy of being followed by every son of any ruler.

After Asaf Jah, there came a period of turmoil when the State had to contend against the Mahrattas in particular, when the assistance of the East India Company was welcomed. But with this gesture at friendship the formation of the Hyderabad Contingent was invited or rather imposed upon. Both sides may have a case to press against each other. But to go into the details of this aspect of the history of Hyderabad is, however, outside the scope of this work.

Hyderabad is an inland State, although it remains under a treaty still in force a sea-power admitting the Nizam's ships to fly their own flag on high seas, and also conferring on the Nizam the free use of the port of Masulipatam

¹ *Hyderabad Administration Report*, 1331 F. companion volume.

on the east coast, but which right has not been exercised for a long time now.¹

The country is mainly agricultural; the chief staple being cotton and millet in the north, rice and oil-seeds in the south. The castor-oil of Hyderabad represents nearly sixty per cent of the world's total output of this important commodity. Hyderabad has also mineral resources. Coal, which is found in east and north-eastern tracts, is largely used on the southern Indian railways, and gold was worked till recently and is proposed to be worked again.

Politically, Hyderabad is said to be an independent treaty State, and the Nizam is its sovereign with feudatory princes under him holding estates which in size, population and wealth are as important as many of the Indian States enjoying the honour of "salutes". The Nizam has inherited the privilege of the Mughal Court to bestow titles of honour and distinction upon his subjects, and enjoys full powers of civil and criminal administration. He has his own High Court from which there is no appeal to the English Privy Council, but to his own Judicial Committee, after whose decision the ultimate and final appellate authority is the Nizam himself. He has his own Legislative Council with elected non-official representation in it, for purposes of legislative enactments.

¹ Commercial Treaty, dated 12th April 1802 A. D., Articles 1 & 2.

The Nizam has his own currency, dating from the time of the mutiny when his coins ceased to bear the inscription of the Delhi Emperors. He has also his own postal service.

A military establishment of considerable fighting value is maintained by the Nizam, which from time to time has rendered invaluable help at strategic moments in the life of the British Empire.

Hyderabad has lived in troubles, such as other Indian States have not had the misfortune to feel, as the present writer has pointed out, here and there, in the following pages. But the qualities that endear the rulers of the State have prevailed upon ; so much so that conditions have so improved that, in every branch of administration, reforms have run on progressive and assuring lines.

M. F. K.

I

ASAF JAH TO NIZAM ALI KHAN (1724 to 1761)

THE administration of the country during the time of Nizam-ul-Mulk Asaf Jah not only extended over all the six subahs of the Deccan, but embraced the territory from the river Tapti to the frontiers of Mysore and the Carnatic, extending down to Trichinopoly.

Asaf Jah was a paternal ruler of his people. From early morning every day, he attended personally till noon to Government business and looked into every detail of administration himself. After the afternoon prayers he held discourses with men of piety and learning in various branches of knowledge.

He kept the control of the army and the nobles in his own hands by a system of grants of land, or money, in return for military service; and the civil administration of the Dominions was also conducted on the same principles.

By the year 1724 when Asaf Jah became independent of the Delhi Emperor, he had restored peace and order in the Deccan. He always looked to the well-being of those who happened to be his subjects. He made travelling easy and safe for traders, and took measures to afford relief to the peasants from the undue exactions of the Mahrattas by arranging payment of a fixed sum of money instead of the 'chouth' of the subah of Hyderabad and released the ten per cent taxation on the peasantry, called 'sardeshmukhi'. He further assured the peasantry that they would not be deprived of the fruits of their labour and stationed troops at vantage-points to keep off the armed bands of Mahratta freebooters. ✓ He regulated the system of Rahdari, a kind of transit duty which had been a source of great annoyance to travellers and the trading class.

Asaf Jah re-organised thoroughly the revenue administration, which was in a hopeless condition, in such a manner as to stimulate the production of wealth, and thus endeavoured to bring in order the finances of the Deccan. He did not increase the burden of taxation on the peasantry; on the other hand it was greatly reduced by his rigid supervision and by relentless punishment of those servants of the State who made dishonest gains by their exactions.

Asaf Jah was so much anxious to effect his administrative reforms and to restore order throughout the Deccan that he actually undertook several expeditions for the purpose.¹

As repeated summons came from the Emperor asking Asaf Jah to come to Delhi, he left Hyderabad in 1736 appointing his son Nasir Jung to act for him till his return. Intoxicated by power and youth, Nasir Jung, without consulting his father, removed various officers and appointed others in their stead. The Minister Anwarullah Khan saw no alternative but to obey, and carried out the wishes of the young ruler; and Nasir Jung began giving away large territories to his favourites as jagirs. Anwarullah Khan then obtained leave and went to Burhanpur, where he died in 1742. After his death, Nasir Jung is said to have appointed as Minister, Khuda Banda Khan, a grandson of Amir-ul-Umra Shaista Khan, the maternal uncle of the Emperor Aurangzeb.

Mindful of what was happening under the rule of his son, and rather disgusted with the Court rule at Delhi, he came back and again controlled the reins of Government. Unluckily he died very short after in 1748. The epigram "Muttawajjih Bihisht", which means "he

passed to paradise" is the chronogram of his death.¹

At the time of his death his rule extended from the Nerbudda to the Cauvery and from Masulipatam to Bijapur. Among the monuments constructed by him may be mentioned the fortification of Burhanpur which began in 1716 and finished in his own time. The parapet walls of Hyderabad were also constructed by him. Asaf Jah showed a love for architecture, a tendency which has been inherited by our present great ruler who has so studiously ornamented the old Bhagnagar.

Asaf Jah showed all along bold initiative in restoring order in the Deccan. He effectively checked the encroachments of the Mahrattas. By re-organizing the revenue system, as well as, by strict economy and care in the management of the finances, he made the country prosperous and the people contented.

The death of Asaf Jah left his family in great disturbance. The domestic rivalry among his sons that continued for a dozen years or more on the one hand and the conflict of the interests of the English and the French who

¹ *Hyderabad Administration Report*, 1331 F. companion volume.

were then struggling for the mastery of the south, on the other, kept Hyderabad in turmoil.

Nasir Jung, the British partisan, being in command of the army seized the control of affairs, and appointed Shah Nawaz Khan of Berar, as his Minister, in 1748. Dupleix at this time gained a Brahman, named Ramdass, of Chicacole, in the confidence of Nasir Jung, and through him spread sedition in the army, which Dupleix called into operation by an attack on the camp, and Nasir Jung was treacherously murdered in 1750.¹

Thereupon, his former rival, Muzaffar Jung, a grandson of the late Asaf Jah, was set up as Nizam with the help of the French. Ramdass was appointed Minister and given the title of Raja Raghunath Dass. But Muzaffar Jung was not destined to enjoy his power long. He was killed in a desperate personal encounter with the Nawab of Kurnool in 1751.²

The French then set up Salabat Jung, the third son of Asaf Jah, as Nizam. Salabat Jung allowed Raja Raghunath Dass to continue in office with full powers. The Raja employed in the State all the French who had followed Muzaffar Jung and most of the officers employed by him were also retained. Raja Raghunath Dass was,

¹ *The Nizam*, H. G. Briggs, vol. ii p. 56.

² *Ibid*, p. 57.

however, slain by some discontented soldiers demanding arrears of pay in 1752. Syed Lashkar Khan, who succeeded him, held office for three years, when in 1755 Shah Nawaz Khan, who had served in the time of Nasir Jung as Minister, was appointed again to the post. Shah Nawaz Khan was an able administrator. He brought the affairs of the State, which were in a deplorable condition, into order. He subdued rebels, and people began to live in peace. In the very first year of his administration he is said to have equalised the expenditure with the revenue.

When the Northern Circars were ceded to the French in 1753 by Salabat Jung, they made a complete survey of the territory, and a detailed account of the gross collections of all the districts was prepared, the annual assessments were regularly carried out, and peasants were protected from the rapacious zamindars.

Shah Nawaz Khan was a devoted servant of his master and the State, and whenever he saw the interests of the country being sacrificed, he refused to be a party to unpleasant transactions, and the price he had to pay for his loyalty was his very life. For, he was treacherously murdered by a Hindu officer of the French in 1758.¹ Shah Nawaz Khan, in addition to his ability as an administrator, was a scholar

¹ *The Nizam*, H. G. Briggs, vol. ii, p. 134.

well-versed in several branches of learning, and he possessed a wide knowledge of history.

Basalat Jung, the Governor of Burhanpur, succeeded him as Minister.

In 1761 Salabat Jung was dethroned, and Nizam Ali Khan, the fourth son of Asaf Jah, was proclaimed ruler of the Dominions.

A curious feature about the history of Hyderabad is this, that Nasir Jung, Muzaffar Jung, and Salabat Jung, who all successively held power and ruled over the Dominions for some time or the other, have not been recognised as Nizams.¹

¹ Nasir Jung, 1748-1750.
Muzaffar Jung, 1750-1751.
Salabat Jung, 1751-1761.

II

NIZAM ALI KHAN

(1761 to 1803)

WHEN Nizam Ali Khan assumed sovereignty, he made Vithal Sundar, a Brahman by caste, his Minister and gave him the title of Raja Pertabvant. This gentleman held office till 1765, when he was slain in an encounter with the Mahrattas.

Thereafter Mir Musa Khan, an intimate associate of the Nizam, who was well-acquainted with all matters of government and was on good terms with the leaders of the army, was appointed Minister. He was honoured with the title of Nawab Rukn-ud-Daula and was invested with the robes of office of Minister.

The constitution of the State introduced by Nizam Ali Khan at this time was as follows:—

The Nizam was an absolute sovereign of the State.¹

¹ The title of "Nizam" adopted by the rulers of Hyderabad came into use with the accession of Nizam Ali Khan.

The civil officers were the Minister, the Peshkar, the State Record keepers, the Qazi, and the Kotwal. The Minister of the State was called the Dewan, and the whole administration of the Khalsa, with a part of the State army, was placed under him. In everything he did he first consulted and received definite orders from the ruler. It was through the Minister that all orders of the Nizam were issued and published throughout the State.

The military officers were the Mansabdars, the Paigah officers, the Jamadars, and the military commandents. The Paigah Amirs maintained army for the protection of the Nizam and the State, and obeyed the orders of the Nizam. They carried on the internal management of their estates independently. Some of the Jamadars and other military commanders were under the Minister and others directly responsible to the Nizam himself.

There were also several Durbar officials whose offices were regulated by the traditions their ancestors had brought with them from the Imperial Court of Delhi.

There was no separate department of revenue. Territories of land were made over to the nobles of the Court, or any one who applied for them on contract. These contractors, called Taluqdars, were, for the term of the contract, practically independent governors of the

territory under them. They collected the revenue through their agents and forwarded it to the State treasury. They also retained troops to protect the Nizam's interests in the districts. The unit of revenue collection was the village, and the old time-honoured village officers called 'patels' and 'patwaris' continued to function their duties. The whole State was divided into three sections, namely, Khalsa, Paigah, Jagirat, and, later, Sarf-i-Khas.

The administration of justice was based on the Islamic Law.

The State Treasury was under the supervision of the Peshkar, checked and controlled by the Minister, and all accounts of the State were kept by the 'Daftardars'.

The conferring of titles and distinctions and the bestowal of jagirs, mansabs, wazifas, and inams were the rights exclusively exercised by the Nizam himself. The appointments and dismissals of all civil and military officers of the State, and of the Court were made only under the sign manual of the Sovereign.¹

It was after the earnest advice given at the time of his death by Rukn-ud-Daula to Nizam Ali Khan with regard to his extremely weak and critical position in relation to his army that the Nizam introduced the Paigah, or household troops, as a counterbalancing military strength

¹ *Qanuncha-i-Mubarak* of 1310 H. pt. i.

between himself and his troops; and for the maintenance of this armed force he alienated large tracts of the country.

Rukn-ud-Daula died in 1775, and after a lapse of three years during which period Nawabs Shams-ul-Mulk and Viqar-ud-Daula held office respectively, Arastu Jah, the Qilladar of Aurangabad at the time, was next appointed Minister in 1778.

It was during the reign of Nizam Ali Khan that, after some dalliance with the French and their brilliant representatives, Dupleix and Reymond, he entered into an alliance with the English, resulting in many an important event, which, however, do not fall within the scope of the present subject.

During the reign of Nizam Ali Khan no less than six treaties were made with the East India Company.¹ These treaties in their

¹ (1) Treaty settled by General Calliud at Hyderabad on 12th November, 1766, by which the Nizam ceded the Northern Circars to the Company, and they mutually agreed to assist each other with troops.

(2) Treaty of Peace settled by Rukn-ud-Daula at Madras on 23rd February, 1768, confirming the stipulations of the Treaty of 1766, and providing that the Company should supply the Nizam with two battalions of sepoys whenever he should require them

(3) Treaty of Paungal, settled by Captain Kennaway on 4th July, 1790, preparatory to Lord Cornwallis' war with Tipu Sultan.

(4) Treaty of Hyderabad, settled by Captain J. A. Kirkpatrick on 1st September, 1798, preparatory to Lord Mornington's war with Tipu Sultan, providing for the disbanding of the French Troops in the service of the Nizam, increasing the force subsidised by him from the British Government, and making it permanent.

(5) Treaty of General Offensive and Defensive Alliance, settled by Captain J. A. Kirkpatrick at Hyderabad on 12th October, 1800, by which the subsidiary force was further increased and territory ceded by

immediate and later effects not only formed the basis of all subsequent dealings, but still govern substantially England's existing relations with the Court of Hyderabad.

After a long and strenuous reign of over forty years Nizam Ali Khan died in the year 1803.

the Nizam to the British Government in commutation of the subsidy money.

(6) Treaty of Commerce, settled by Major J. A. Kirkpatrick, at Hyderabad, on 12th April, 1802.

III

SIKANDAR JAH

(1803 to 1829)

SIKANDAR JAH, the second and surviving son of Nizam Ali Khan, succeeded to the throne, and with him opened an entirely new era for Hyderabad. For the first time in the history of Hyderabad, an instrument from the Governor-General of British India was presented to Sikandar Jah upon his accession, confirming all agreements and treaties entered into with the late Nizam, and declaring that "the said engagements and treaties shall be duly observed until the end of time."

A year after the accession of the new ruler the Minister Arastu Jah died, and the appointment of his successor became a matter of great concern with the Government of India. Captain Sydenham, who was Resident at the time, insisted upon the appointment of Mir Alum, who had already distinguished himself in the service of the Nizam.

The Nizam reluctantly consented to the proposal of the Resident, and Mir Alum was appointed Minister, though without the unlimited power enjoyed by his predecessor. In 1806 an excise employee of the Government, named Raja Chandulal was appointed Mir Alum's assistant under the designation of Peshkar, and the financial portion of the administration was entrusted to him.

Having held office for four years during which he is said to have effected several reforms in the administration of the State, Mir Alum died in 1808.

The expulsion of the French in 1798, followed by the new treaty arrangements, rendered the English influence in the administrative affairs of the State predominant. Although there was neither any provision in the treaties, nor any specific understanding between the two governments to that effect, yet it appears to have become the practice from this period onward that the appointment of Minister should be previously approved of by the British Government. That this was so is apparent from the following quotation from a minute on Hyderabad affairs written by Sir Charles Metcalfe (afterwards Lord) in 1829:—

“The Minister during whose administration our alliance with the Court of Haidarabad was formed and perfected was the celebrated Azimu-l-Umara

Arastu Jah. He, however, was the Minister of the Nizam's choice, and whatever power he exercised was granted to him by his master, of his own free will. Entire confidence and mutual attachment existed between them, and it was not during the life of that prince that our influence was banefully exercised in the selection or support of a Minister.

“From the time, however, of the completion of the subsidiary alliance, it seems to have been considered as essential that the Minister should be in our interests, and that we should support him with our influence.

“The Nizam died before the Minister, to whom our support was continued, and then became efficacious. It does not seem to have been considered that the Nizam who succeeded could be allowed any option as to the continuance or removal of the Minister. Our Resident gave His Highness a clear understanding of what was intended, by observing to him, on his accession, that with such an ally as the British Government, and such a Minister as Arastu Jah, His Highness's affairs could not fail to prosper.

“Arastu Jah, accordingly remained Minister until his death, keeping his master, the present Nizam, during the whole time in thralldom and insignificance, totally devoid of power.

“On the death of that Minister the Nizam announced his intention of taking on himself personally the management of the affairs of his Government. He naturally wished to avoid being again placed under a Minister independent of his authority.

“The arrangement, however, which he contemplated for his purpose was objected to by our Government. We insisted on the nomination of a Minister with full powers. We asserted the right of having a Minister attached to our interests, and, consequently, of selecting one of our own choice, and, if requisite, of enforcing his nomination. This extremity, however, was not necessary. Mir Alam, whom we selected, was appointed by the Nizam, and was sole ruler for life of his master’s dominions.

“The Nizam made some effort to obtain a share of power in his own Government; but this was unpalatable to the Minister, and the Resident gave decided support to the latter. The Nizam retired from the contest in disgust, and has never since taken any part in public affairs, but has led a life of gloomy retirement and sullen discontent.

“Our influence, therefore, established the Minister at Haidarabad as a despotic ruler, without the consent of his master. In all British interests he was subservient to the British Resident, and also in all private interests which the latter chose to advocate. In the management of the country the Minister was absolute, and had the support of the British Government against any opposition that he could not subdue with the means at his own disposal. Opposition to him was treated as hostility to us and disaffection to the English alliance; and as his interests were, by our system, identified with our own, and our utmost influence exerted in his support, it was scarcely possible that his enemies should not become ours, although they might have been as willing as he to court our friendship, had we not made ourselves obnoxious to them by supporting the

single individual against all competitors for power in the State.”¹

On the death of Mir Alum, the Nizam expressed his wish to carry on the administration of the State himself, but the Resident objected and pressed him to nominate a Minister. The Nizam carried on the administration for about six months, after which he appointed Munir-ul-Mulk, Minister. The new Minister was described as one “well acquainted with all affairs, and who would devote himself to the conduct of the business of his sovereign in the spirit of obedience to the orders with which he may be furnished for that purpose.”² The Governor-General did not approve of Munir-ul-Mulk’s appointment, and desired that Shams-ul-Umra should be made Minister. But the Nizam did not agree; whereupon the Resident informed the Nizam that “whosoever should be Minister, it would be for the interest of the Company’s Government that Chandu Lal should possess the largest share of active influence in the administration, and as long as he held a confidential situation about the Nizam we might always be assured of the security of British interests at the Court of Haidarabad.”³

¹ *Historical and Descriptive sketch of H H the Nizam’s Dominions*, S. H. Bilgrami and C. W. Willmott, vol. 2, p. 30.

² *Ibid*, p. 34

³ *Ibid*, p. 35.

Sir Charles Metcalfe, in the minute already referred to, wrote: "Muniru-l-Mulk was made Prime Minister, but it was stipulated that he should exercise no power in the State. All the power was to be given to the Deputy Minister, Chandu Lal, who was patronised by us." The new Minister is said to have been compelled to give an undertaking "that he would himself never aspire to any authority in the transactions of the State, and enter under an engagement to refrain from taking an active part in the affairs of Government." The Nizam never agreed to this arrangement to place the whole of the administration in the hands of Chandulal. But it was useless for him to attempt to curtail the power of an individual who, as Sir Charles Metcalfe remarked, "was established by the Company's Government as a despotic ruler without the consent of his master."

Thus, the period during which Raja Chandulal was virtually Minister of the State and swayed power began from the time of the death of Mir Alam : and continued till the year of his resignation in 1843.

It was in the year 1812 that Raja Chandulal established the force commanded by British officers, which subsequently grew into the Russell Brigade, after Mr. Henry Russell, the Resident, who took an active part in its formation, and then became the Contingent.

Under Mr. Russell the Brigade grew into considerable size and was very expensive to the exchequer. Superfluous officers on huge salaries (the Commander alone drew £5,000 a year) were appointed by the Resident, although it was known to him that the finances of the State were unsatisfactory. As one appointment followed another, and fresh posts were created for new applicants, the proverbial expression current in Hyderabad was "Poor Nizzy pays for all."

The general administration of the State was being conducted primarily under the direction of the Minister. The ordinary routine was carried on by two offices, namely, 'Daftar-i-Mal' and 'Daftar-i-Diwani', and these were under the supervision of Daftardars, whose duty it was to keep State accounts and registers of grants of jagirs, and other similar official transactions. The correspondence of the Minister, attended to by a separate establishment known as 'Dar-ul-Insha'. There was a ~~sort of~~ postal system borrowed from that of the Mughal rulers, but in a form not covering the whole of the Dominions. There were two courts of justice—the Dar-ul-Qaza, and the Sadarat-ul-Aliya, beside the Kotwali, which was the police court. But in the taluqs there were neither public offices of any description, nor police nor courts

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of justice. In fact the Government then concerned itself with nothing beyond the collection of revenue.¹

The revenue administration of the Dominions during the period of Raja Chandulal was of an extremely primitive type. Territories were farmed out to contractors, with almost no control over them, and they were required to advance a considerable portion of the anticipated revenue. These contractors were mostly Arab chiefs, Marwari sahuikars and gay Mahants. Their only concern was to profit by their transactions. Consequently the revenue began to diminish considerably as time went on during the Raja's ministerial regime.

Other minor sources of income, in addition to land revenue, were, more or less, like our present-day municipal taxes, such as Hatbazari (a cess on bazaars and fairs), Kalal-patti (a tax upon liquor vendors), Shadi-patti (a tax on weddings), Rahdari (toll-tax), Ghanim-bab (an impost for protection against enemy), Mohtarfa (house or shòp tax) and similar other taxes.

Another source of revenue was the sale of the right to coin money. At this period there were at least fourteen different kinds of coin current in the Dominions, and each one who held the right prohibited the circulation of any other coin than his own within his boundaries.

¹ *Hyderabad Administration Report*, 1331 F. companion volume.

Such a complicated system of currency was a source of great annoyance, particularly to the agricultural population.¹

Money was also raised from the Taluqdars and revenue farmers by bestowing titles upon them, for which honour they were expected to pay sums varying from one to two lakhs of rupees.²

The expenditure of the State was divided under the following three heads:—

(1) Minhaj-az-Madakhil or abatements from receipts. Under this head were included all sums that the district authorities deducted from the receipts on account of the cost of collection of revenue, Sadir or contingent office expenses, Rusums (fees) of vatandars or taluq officers, Yeomia and Saliyah, or the daily and yearly pensions, Dehsadirs, or village expenses, and such other charges incident to the administration of the districts.

(2) Taluqa Mahalat, or districts assigned in lieu of cash payments. Under this head were debited the revenues of all territories set apart for the payment of military forces, mansabdars, and for the liquidation of debts.

(3) Maqarij-i-Naqd az Qazana wa Mahalat, or the cash disbursements from the central and district treasuries. This head comprised of

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Willmott, vol. ii, p. 56.

² *Ibid.*

allowance from the Diwani revenue to the Nizam, salaries of the Minister and Peshkar, pay of the army, Mansabdars, and Shagird-pesha or personal attendants, and other miscellaneous expenditure.¹

In spite of raising revenue by so many methods, Raja Chandulal suffered the pay of the Contingent to accumulate into arrears, which was a continuous source of financial perplexity to him.

In the meantime, a large banking house styled "William Palmer & Co." was formed in Hyderabad by William Palmer, a retired servant of the Nizam's Government. This firm had as their partners Mr. William Currie, the Residency Surgeon, Sir William Rumbold, an intimate friend of Lord Hastings and a grandson of Sir Thomas Rumbold, the notorious Governor of Madras, as Briggs styles him. As the Imperial Act of 1797² laid down that no European should be allowed to have any financial transactions with Native States without the express sanction of the Governor-General in Council, the firm obtained a license in 1816 from the Board of Directors of the Honourable East India Company to carry on their business as bankers, and to have pecuniary transactions with the Nizam's Government, the only

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Wallmott, vol. 2, p. 52.

² 37th George III, Cap 142, Sc. 28.

reservation made being "that it should be at the discretion of the British Resident at Hyderabad, for the time being, to satisfy himself regarding the nature and objects of the transactions in which Europeans might engage under the permission accorded."

Raja Chandulal arranged payments to the Contingent by borrowing sums from this firm at the usurious interest of 25 per cent, and whenever sufficient amount was not forthcoming, he used to fall back upon the resources of local money lenders who very often demanded securities of the administration of taluqas, and villages yielding over a lakh of rupees in revenue.

In this way there arose a period of financial embarrassment which lasted throughout the ministry of Raja Chandulal, and threatened in the end to plunge the State into a condition of insolvency.

At this stage, Mr. Russell, the Resident, applied to the Governor-General for permission to interfere into the internal administration of the State. He suggested, as the leading features of a plan of reform, that "whatever control our Government might resolve to exercise should be applied through the medium of advice and influence, and not by direct exertion of authority; that we should enlarge the sphere rather than increase the degree of

our interference, exerting the same influence in correcting the abuses of the internal administration that we already applied to objects immediately connected with our own interests; that we should improve and direct the implements of the country, and not introduce agents or regulations of our own."

Lord Hastings, who was then Governor-General, approved of the Resident's proposal. Mr. Russell's scheme of reform of the administration consisted of the appointment of European officers in the districts, who prepared estimates of the village revenues, for the purpose of assessment, and prevented oppression and extortion which had previously prevailed. Attempts were also made to introduce some kind of judicial administration in the districts. But neither of these plans proved successful, as those who were in authority, while apparently acquiescing in all the Resident's proposals, took very good care to render them nugatory.

"The whole system of administration", in the words of Sir John Kaye in his *Life of Lord Metcalfe*, "was rotten to the very core, it was a congeries of diseases. Nothing seemed to flourish there except corruption. Every man was bent on enriching himself at the expense of his neighbour. No one cared for the people, no one cared for the State. Every thing had its price in Haidarabad. If a man wanted a place he

counted out his money to buy it. If a man wanted justice he bade for it as for any other marketable commodity. Every public officer in every department of the State was accessible to a bribe. But there were worse things than even these. A peaceful and industrial population was converted into rebels and bandits. Neither life nor property was secure. There was nothing left indeed but the name of Government, all the rest was lawlessness and confusion."

Such was the state of affairs towards the close of 1820, when, on Mr. Henry Russell's resignation, Sir Charles Metcalfe was appointed Resident at Hyderabad (1820-25). In the course of a few months after his arrival the new Resident studied the true position of affairs for himself, and found reforms in every department of the State, particularly the revenue, pressing in their need. In connection with the financial embarrassments of the State, Sir Charles Metcalfe is said to have inquired of Raja Chandulal how he intended to pay the local money-lenders. "Pay them?" retorted the Minister, "why, I don't mean to pay them at all. They have received interest over and over again, and I'll pay no more." Moreover, the Resident considered the existence of William Palmer & Co., with whom were involved the interests of so many of the British Government officers, as scandalous.

He therefore set to formulate a scheme for the improvement of the State administration, and the following extracts from his journal give an idea of the procedure he intended to follow, and the reforms he liked to be introduced into the State.

“To require a statement of revenue and expenditure, from which to judge of their relative extent and the financial prospects of the Government.

“To require a statement of Khalsa lands, revenues, and management, whether under farmers or collectors, or any other class of managers.†

“To require a statement of lands in Jaghir, Jaidad, &c.

“To require a statement of Jaghirdars of troops supported by Jaidad, and of personal Jaghirs to commanders.

“To require a statement of pensioners, with the revenues or claims on account of which pensions have been granted.

“To explain that information on all these points is required as necessary foundation for improvement.

“To urge the Minister to discontinue on his own part, and to procure the discontinuance on the part of Muniru-l-Mulk, of all clandestine allowances to servants, &c., at the Residency. The same with regard to fruits, dinners,

&c., &c., sent to the Residency, which come in such quantities as to give them the appearance of regular supplies instead of being merely complimentary.

“To desire the Minister not to give ear to any natives who may pretend to have influence with me, either directly or circuitously, and to inform him that I shall never employ natives in any communication with the Nizam’s Government. That ordinary matters will be discussed; as at present, by notes, and all of importance either personally or through one of my assistants.

“I applied to the Minister for accounts of the income and expenditure of the Government. These, after requesting delay for time to prepare them, he brought to me in detail. From these, if they can be relied on, it appears that there is annual deficit of about ten lakhs. If the deficit do not exceed this amount, I shall not despair of bringing the finances of the Government into proper order in the course of time, either by ameliorations of the revenue, or by reductions of the expenditure, or the joint operation of both.

“The measures which appear to me to be most essential in the first instance, and which I shall endeavour to carry into effect with the concurrence of the Nizam’s Government, are—
1st. The reduction of the expenditure of the

Government within its income. 2nd. A general settlement of the land revenue for a term of five years on the principle of a village settlement, including arrangements with the heads of villages for the introduction of a system of police. 3rd. The superintendence of respectable European officers of the Nizam's service for the purpose of preventing oppression and breach of faith in the districts in the vicinity of their respective posts."¹

To these proposals the Nizam and his Minister gave their consent, but Lord Hastings was, at first, much averse to the interference by the Resident into the internal administration of the Nizam, making, at the same time, a pointed reference to the desirability of retaining Raja Chandulal in office, "unless he shall be guilty of some distinct delinquency", and continued "you will please regard it as a special obligation upon you to support that Minister." Sir Charles Metcalfe protested against "leaving the Minister to dispose of the revenues of an Empire without even submitting an account to his master, and without acknowledging responsibility to any one." After a protracted correspondence, the Resident's proposal to introduce "some measures absolutely necessary for the ends of justice and the good of

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Willmott, vol. ii, p. 82.



**HIS HIGHNESS
MIR MAHBOOB ALI KHAN BAHADUR
THE LATE NIZAM**

the people" was approved of by the Governor-General.

The village settlement, introduced by Sir Charles Metcalfe, was made only after finding out the existing productivity of each village, the average amount of revenue paid in the previous five years, and its productive capacity. For this purpose the country was divided into several districts, to each of which was appointed a British officer belonging to the Contingent, who was entrusted with the general supervision of the revenue assessment and police, the executive, however, being left to the subordinate officers of the Nizam's Government.

"Our object", wrote the Resident in his instructions to these British officers, "will be most effectually accomplished if we can save the people from oppression, maintain good order, promote prosperity, and at the same time uphold the Nizam's Government which it is our duty to support, and not to supersede or set aside, though it may frequently be necessary to check its oppression and oppose the extortion of its servants."¹ Wherever introduced and carried into effect the arrangement proved a success, and the agricultural prospects of the State brightened.

¹ *The Nizam*, H. G. Briggs, vol. 2, p. 97.

The revenue of the State in 1821 was Rs. 1,89,33,550.¹

Sir Charles Metcalfe then turned his attention to William Palmer & Co., which was now at the height of its power. They had gained a political force able to influence the policy of the State itself. The Resident tried and brought about ultimately an arrangement between the Nizam and the Board of Directors by which the Company's existence was made impossible.

Raja Chandulal decried the benefits derived from the introduction of Sir Charles Metcalfe's reforms, and, when Mr. Martin succeeded the latter in 1825, the Raja persuaded him into the belief that the proceedings of the British superintendents in the districts were injudicious and distasteful to the people, and that the former Resident "had pushed his reforms and his interference in the administration of the country far beyond the limit contemplated by the Governor-General, for they amounted to taking the Government of the Nizam's Dominions into the Resident's own hands". Moreover, in 1826, instead of levying the increased rates which the improvement in cultivation warranted, the Raja proposed to continue the old assessment rates in the new settlement for five years which was about to

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Willmott, vol. 2, p. 38.

be made, regardless of the just rights of the Government and the lawful resources of its revenue, especially at the time when the State was faced with financial difficulties.

The village settlement scheme was thereafter abandoned and the old system of assessment by the taluqdars restored. The result was that mismanagement set in again.

Sikandar Jah died in the year 1829.

IV

NASIR-UD-DAULA

(1829 to 1857)

SIKANDAR JAH was succeeded by his son, Nasir-ud-Daula, who, on his accession, requested the Governor-General to discontinue the civil interference began by Sir Charles Metcalfe. This step was probably taken on the advice of Raja Chandulal, who had long anxiously wished to recover the uncontrolled power he possessed before Sir Charles Metcalfe. As the views of the Governor-General, at the time, Lord William Bentinck, were that of non-intervention in the internal affairs of Indian States, instructions were issued to the Resident to withdraw the European superintendents. Acceding to the Nizam's request, the Governor-General wrote to him thus :

“ Nevertheless, as your Highness entertains the desire, worthy of a great prince, to take the government of your country into your own hands, I have most readily ordered the Resident to withdraw all interference on his part. Only

it will be necessary that the *kovals* which have been issued with the cognizance of British officers and the confirmation of your Minister, be maintained inviolate. This is required by good faith.

“In every other respect your authority will be absolute, whether in the selection or removal of ministers or other servants of the State, or in the administration of justice, or in revenue affairs, or in any other branch of the government of your country; there shall be no interference on the part of this Government in your Highness’s affairs.”¹

The sudden withdrawal of these officers subjected the country into a state of maladministration once again, and the peasantry, who had enjoyed a respite of nine years, found themselves at the mercy of the turbulent zamindars. The affairs, not long afterwards, became so bad that, in a despatch dated 3rd. September 1835, the Board of Directors directed the Government of India to inform the Nizam, that they could not remain indifferent spectators to the disorder and mismanagement which had so long prevailed in his territories, and that if the present Minister would not provide for the proper and efficient administration of the country, it would be the duty of the British Government to urge upon His Highness the

¹ *Zak. Nizam*, H. G. Briggs, vol. ii, p. 105.

necessity of changing his Minister, as well as of adopting such other arrangements as might appear to be advisable for the purpose of securing good government.¹ It is to be noted here that the Governor-General, through whom this communication was made, was Sir Charles Metcalfe, the same erstwhile Resident who fifteen years ago had effected marked improvement in the administration of Hyderabad. He had succeeded Lord William Bentinck as officiating Governor-General in March 1835, and it is obvious that it was at his instance that the despatch which left London in September of the same year was sent.

On receipt of this unexpected communication to His Highness, Raja Chandulal immediately professed the utmost readiness to accept any proposals, short of surrendering his control over the revenue, and himself proposed to revert to the Metcalfe system of supervision of the districts by British officers, or to appoint Indians of rank and respectability to furnish the Resident direct with periodical reports of the conduct of the taluqdars. But neither of these propositions met the approval of the Nizam, who was probably secretly tutored by the Raja to object to the proposals which he had himself, with his usual duplicity, recommended to the Government;² and finally,

¹ *The Nizam* H. G. Briggs, vol. ii, p. 106.

² *Ibid*, p. 107.

by way of a compromise, Ameens were appointed to the districts to act as a check on revenue officers, and to administer justice.

But this arrangement proved a complete failure, and benefited no one but the Minister, who by his seeming anxiety to meet the wishes of the British Government, and the specious proposal which he had induced the Nizam to adopt, evaded the storm which had been raised against him by the Board of Directors in regard to the character of his administration.¹

Raja Chandulal still continued, after the warning he had received, to be guided by no system of administration or plan of policy. Contrivance after contrivance, generally of a tendency to entail ruin on the resources of the country, was recklessly adopted for the purpose of supplying his immediate wants, and with a total disregard to the demands which were certain to be made upon him to meet the expenditure of the following year. "Accidents", wrote Major Cameron, the Acting Resident, "seem to happen as if they were foreseen, and, by some means or another, year passes after year, and matters are nearly in the same state as before."²

Grants of land were made so recklessly that subsequently the period from 1832 to 1839 was

¹ *The Nizam*, H. G. Briggs, vol. ii, p. 108.

² *Ibid.*

styled the prescribed period, and grants and sanads issued during this time were not held as proof of title unless corroborated by further evidence.¹ Persons offered to the Minister large sums as nazar for the privilege of farming out one or more districts. Indeed, more than often it happened that the same district was farmed out to more than one person, from each of whom a nazar had been received, so that it became a common saying in Hyderabad, and which is not infrequently referred to even today as proverbial of the regime of Raja Chandulal, that whenever an incumbent went out to join his district he rode with his back turned towards the head of his horse and his face towards the tail in order to see whether any further incumbent was trying to overtake him.

Describing the condition of the country at this time in the course of a confidential letter written to Lord Auckland, General Fraser soon after his appointment as Resident at Hyderabad, says: "If your Lordship commands me to say whether any immediate suggestions have occurred to me in reference to the Nizam's dominions, the adoption of which might seem desirable, I am constrained to reply that, as long as Chandoo Lal lives, I apprehend little or nothing can be done. He is very old (between 77 and 78) and in all human probability th

¹ *A History of the Deccan*, J. D. B. Gribble, vol. ii, p. 181.

grave cannot be far removed from him. He has played the game of government long, and skilfully, a word which I use rather than ably, for I cannot ascribe to him genuine capacity, nor, still less, great talent. We have been the tools in his hand. Adroitly opposing the Nizam to us, or us at other times to his sovereign, as might suit the aim and object of the moment, he has contrived to keep the government—or rather the dictatorship—of the country in his hands for thirty years.”¹

The revenue was persistently falling, and the cost of the Contingent had to be met. The Minister never took any action to avoid the serious complications of the future by demanding a cut in the upkeep of the Contingent, or towards eradicating corruption in the revenue yielding department of administration. As the years passed on and the administration continued to deteriorate, the Contingent payments fell into arrears and the embarrassments of the State reached a climax.

Raja Chandulal did not find any new source of income to meet the situation as the revenue had already been forestalled for two years, and there was no hope of the Marwaris being again induced to rely on his promises. In this dilemma he proposed to borrow a crore of rupees from the British Government to be paid

¹ *Memoirs and Correspondence of General James Stuart Fraser*, Col. H. Fraser, 2nd edition.

by an assignment of 17 lakhs of rupees per annum in the revenue of the country. But on knowing that before the Governor-General could entertain the proposal, the whole financial position of the Nizam's Government was required to be examined, the Minister withdrew his proposal. He then applied to the Nizam for assistance, but having failed to prevail upon him to advance the funds requisite to extricate him from his embarrassments, which are stated to have been shown much below the real figure, and shirking to face the consequences, he resigned his office in the year 1843.

The Ministers were paid by a commission of three annas on the rupee in the revenue of the State; that is, for every rupee on the revenue that was levied for the Government, an additional three annas were levied for the Minister. In this manner, Mir Alum received, on an average, a commission of Rs. 17,18,344 a year; Munir-ul-Mulk, who was only a nominal Minister, received a fixed salary of six lakhs per annum; Raja Chandulal received a commission on revenue, varying from four to five lakhs per annum. But this amount was considerably augmented by sums received in nuzrana.¹

For a few months after the Minister's resignation the Nizam carried on the

¹ *The Nizam*, H. G. Briggs, vol. ii, pps. 122 & 153.

administration of the State himself, with Raja Ram Buksh, nephew of Raja Chandulal, as Peshkar and Nawab Siraj-ul-Mulk, a son of the late Minister Munir-ul-Mulk, as Vakil. Subsequently Raja Ram Buksh was entrusted with ministerial powers, which he held till about the end of 1846.

At this time one Mr. W. Palmer, who had been a partner of the notorious banking firm, and said to have been well-acquainted with the affairs of Hyderabad, was commissioned by the Minister to suggest means for the improvement of the administration. He thereupon prepared an elaborate memorandum, which contained among others the following observations:—

“The first step to be taken would be that the Dewan should prepare a scheme of administration. This should be done independently of the counsel or instrumentality of the Resident, as otherwise the reforms would assume an especially English character, and as such would be distasteful both to the Nizam and his subjects. The Dewan, after having framed the scheme in conformity with the old laws and customs prevalent in this State (of course, eliminating those abuses which have crept into them), should submit it to the Resident for amendment and approval. Should there be any difference of opinion on any matter, the question should be decided by reference to the established usage of India. In order that the Administration may be conducted according to the scheme to be devised, it should be expressly and clearly laid down that the Resident should have

the right to interfere merely with the general provisions of the scheme, but that the Dewan alone should be competent to deal with the minor details, with this proviso, that if the conduct of the latter is, in any instance, scandalously wrong, the Resident may exercise his authority, even in matters of subordinate importance, or, if he thinks fit, get the Dewan removed from office.

“The first object of reform is to reduce the expenditure within the bounds of the revenue, so that the latter may suffice for all the purposes of Government. With this aim, it will be necessary to reduce the larger establishments. But since the pay of these establishments is considerably in arrears, the Government cannot reduce them unless the arrears are first paid off. The Government, however, on its own credit, is unable to borrow money from any individual, and as a consequence it must look to the support of the East India Company. But the Company, having had experience of the fact that this Government cannot manage its affairs with economy and regularity, will not be disposed to lend a large amount, except upon a solid guarantee for its repayment ; and such a guarantee cannot be anything short of a cession of territory. I am afraid there is no escape from this condition. However much do I wish that His Highness's Government may be free from humiliation and indignity, taking into full consideration what is favourable and what is obnoxious to the interests of that Government itself, I think it best on the whole that some territory should be ceded. The security required before ways and means could be obtained in order to meet the expenditure of the State will be adequately provided for if full power and authority is given to the British

Government over the revenue and expenditure of such assigned territory. If the Dewan desires to pursue a policy of prudence and straightforwardness, he would adopt this course, and adhere to it till the entire debt of the Company was liquidated. By such a policy the restriction imposed on the free will and action of His Highness would, in process of time, be removed. But in the meanwhile it will be necessary to entrust to the Resident all the accounts, which are now in the hands of the Daftardars, and he should be allowed to call upon any one he likes to give him whatever information he requires. He should further be made acquainted with the extent of the total liability of His Highness's Government, and should be apprised of the reductions effected in the expenditure of the State, in order that he may judge for himself whether they are sufficient to ensure the payment of all debts. As regards the revenue administration of the State, the powers of the Resident and the Dewan should be distinctly defined and separated. The power of appointing Talukdars and fixing the settlement should vest entirely in the Dewan, provided that in the former case His Highness's Government do not nominate any one as a Talukdar who has been charged by any of the preceding Residents with having practised oppression, or made unlawful demands. But the Resident will be entitled to remove a Talukdar whose conduct or behaviour appears, in his judgment, to be unsatisfactory. With regard to the settlement of revenue, the Resident will have the right to interfere, and alter or amend, through the instrumentality of some person (I should prefer, indeed, a joint committee of Englishmen and Natives), the assessment where he suspects that the rate has been fixed too low. In case the Resident finds that the

low rate has been fixed *mala fide* he will appoint another Talukdar himself, and, further, it will be his duty to demand from His Highness's Government the dismissal of the official who has proved faithless to the interests of the State. Where the settlement has been enhanced the Resident will have no power to intervene. If the right of appeal be granted to every taxpayer no one will pay his due without preferring an appeal, and thus the task of deciding such cases will become almost endless. But, notwithstanding this general prohibition, when the Resident comes to learn from independent and reliable sources that the assessment in a specified locality is excessively heavy, he may represent the matter to the Dewan, and the settlement may be revised in accordance with a mutual understanding between the Dewan and the Resident. When a Talukdar has been once definitely appointed he should not be removable from his post, unless the Dewan shows to the Resident that the dismissal of the officer is called for in the interests of the public weal, and is not prompted by the individual liking or displeasure of the Dewan. No bills should be drawn on the district revenues, but the whole of the revenue should be conveyed in cash, as realized, to the central treasury at the capital, under the escort of the force stationed in each district. The arrangement should be continued till some plan better than the present one of remitting the revenue by means of hundis, whereby the Government suffers a loss of 8 per cent., is adopted. All disbursements must afterwards be made from this central treasury. That the revenue may be easily remitted, there should be smaller treasuries throughout the State, subordinate to the central treasury; but these should be located only in those places where cantonments of the Contingent force are situated, and the treasury

officers must be officers belonging to that force. These treasury officers, selected from the Contingent force, will submit, through the Resident, monthly accounts to His Highness's Government, and will receive all orders from the latter through the same channel, which will afford satisfaction to them that the orders are correct and proper. The institution of these treasuries will have this advantage, namely, that they will supply the pay of the Contingent, and thus avert the loss which the Government now undergoes in the purchase of drafts. I have said that all orders on these subordinate treasuries should be transmitted through the Resident, but I hope they may not be so large as to drain these treasuries too low to render them capable of meeting the monthly charge on account of the pay of the Contingent.

“Of all the departments of the State, retrenchments must first commence in the military department, which is not only one of the most extensive establishments, but is the cause of a severe drain on the resources of the Government. It is the chief source and fountain to which almost every form of the prevailing maladministration is traceable. It ruins the country, dissipates its revenues, and oppresses the people. I am informed that the total value of personal jagirs amounts at present to twenty lakhs of rupees a year. This sum should be reduced to one-half, including jagirs assigned to persons attached to the Court, and to meritorious servants of the Government, who are subject to the orders of the Dewan, I have no authentic information on the point I am dealing with, but I must say, from what I know, that the existing number of jagirs must be curtailed, that they should be assimilated with ordinary private property, that no changes should be introduced into them from time to time, and that none of them should

be under six thousand rupees in value. But though they are to be considered in the nature of private property, under no condition are they to be allowed to be mortgaged. The authority which the Jagirdar exercises over his tenants is already so extensive in its character that he ought not to be further empowered to hand them over to the tender mercies of other masters, on the strength of a mortgaged deed. When proper courts of justice have been established, it may be hoped that the debts incurred by Jagirdars will be dealt with in the same way as debts by other individuals, and it will be possible then to frame some provision whereby a jagir may, under the sanction of Government, obtained in consonance with a decree of a court of law, be confiscated till a debt due by the Jagirdar is liquidated.

“There cannot be a more useless institution than that of the Mansab, as it exists. If it be placed, however, on a better footing, it may yet prove considerably beneficial to the State. Looking to the prevailing condition of affairs, its retention and continuation is decidedly imperative. It is, in its origin, a peculiar institution, connected with the courts of Indian princes. Those who are admitted into it rank as servants of the Court to which they are attached, have the privilege of being near the prince and of attending his levees, become acquainted with the Dewan, and, when fit, are among the persons chosen for the service of the Government. But, in order that this scope may be adequately realized, men who enter the Mansabdari ought to be respectable and accomplished. This condition it is far from possible to comply with in this State at present, but it may become gradually practicable.

The chief thing to be borne in mind here is to take care that those who belong to the upper classes get a livelihood from the State, for from ages past they have been in the habit of receiving, generation after generation, their maintenance from its princes without reference to their individual abilities or qualifications, and have never been required to seek their bread elsewhere. The inevitable result has been that though the first men who had been made Mansabdars had been probably selected on their merits, their descendants, though not unfit for their position (for the title of Mansabdar is synonymous with that of a gentleman), are really of no practical use whatever. The Mansab establishment, I think, should be altogether abolished, neither ought the number of Mansabdars to be reduced, nor, as long as circumstances continue as they are, should a change or diminution be effected in their status. I am given to understand that the salaries of the Mansabdars are not fixed upon a definite scale or proportion. Some there are who get rupees fifteen a month, and others who receive so much as Rs. 500 per mensem. No alteration must be made in these individual salaries, but the retrenchments that are called for must be divided over all. Lastly, the Mansabdars should get their pay not according to what they are entitled to according to the Government records, but according to what they have been receiving from the Sheristadar. I hear that the total expenditure under the head of Mansab amounts to eleven lakhs of rupees annually. By payment according to the custom, and not according to the record, and by other necessary reductions, the expenditure will be brought down to six lakhs. In my opinion, a larger sum than this should not be allotted for this purpose. Change of times and manners will, however, render

it possible to effect further saving in this department, so much so indeed that the word Mansabdar may cease altogether to signify a public servant without any work to perform. I will repeat that Mansabdars are really people belonging to the most respectable class of society. In fact they are in Haidarabad what the middle class is in England.”¹

What steps were taken on this report of Mr. Palmer is not known to the present writer; but Raja Ram Buksh, who was responsible for it, did not stay long afterwards in his office and was succeeded by Nawab Siraj-ul-Mulk in 1846.

The new Minister endeavoured to lessen the drain on the State revenue by ordering the disbandment of Arab employees, who were at this time 5,747 in number, and by releasing lands from Jamadars, but his plans were thwarted by these turbulent people. He proposed to pay the Taluqdars fixed salaries, instead of commission which was 9½ to 12 per cent. from the collections. These officers, moreover, were to reside in their districts instead of at the capital, and those corrupted were removed from service. On his recommendation, the Nizam prohibited Satti throughout his Dominions, for which act the then Viceroy, Lord Hardinge sent a letter of appreciation to the Nizam.

At this time an attempt was made to start a State Bank, with a European gentleman, named

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Willmott, vol. ii, p. 100.

Dighton, to whom some districts had previously been farmed out, and some of the local bankers as its promoters, but the project failed for want of proper support.

The Minister then proposed, in consultation with General Fraser, the Resident, to appoint Mr. Dighton as the Commissioner of one of the districts which it was intended should serve as a model for the revenue administration of the whole country. But the Government of India objected to this proposal, in spite of its having been recommended by the Resident. Its sequel was the letter, addressed privately to Sir James Lushington, the Chairman of the Board of Directors of the Hon'ble East India Company, by General Fraser, which reads as follows:—

“Improvement in Hyderabad has not progressed. I lament that such should be the case as there is no inherent necessity that it should be so. A little decision on the part of the supreme Government and its assent to what I recommended would have been sufficient. It is to this subject I wish to attract your attention and to obtain if possible the assent of the Court to some policy of their own devising, if not of mine, which may correct the evils of this Government, in the shame of which I may perhaps be made to participate, though I do not deserve it. I wish to induce the Court either to act with some vigour in this matter, or to acknowledge that they do not care to save the Nizam, and that he must be considered as bearing the exclusive responsibility of the ruin to

which the Hyderabad State is hastening. The proceedings of the Resident here, to that extent only which has been sanctioned, cannot be of any use. A higher tone must be adopted to be of service. A continuance of its present course by the supreme Government will involve this country in the fate of Mysore.

“We are bound under the obligations of treaties to maintain the independence of this and several other native states, and until the treaties are infringed by the princes themselves, or the safety of our own provinces is in danger, we are bound to uphold them. All that I wish is that this should be done effectually, and in such a manner as to be at once consistent with the prosperity of a native state and with the general advancement of the Indian Empire in the path of good order and reform. It is not possible that so large a portion of India should be in bad way without the adjacent districts being injuriously affected. We can adhere to our treaties in perfect good faith, and yet insist at the same time that the sustained independence of Hyderabad shall not impede the equally sacred obligations under which we are placed not to allow our military protection of the Nizam to involve, as a necessary consequence, the misery and helplessness of his people. We must not allow a barrier to be raised against the advancement of India in general in the ill-regulated condition of this particular State. In the measures I have continuously proposed, the ulterior object has not only been a better administration for Hyderabad, but beneficial results for our own territory. Unhappily, in almost all instances, I have been prohibited not only from active interposition but from interposition at all. I need not enter into particulars. The evils of the Hyderabad Government and the state of disorder

generally prevailing through the country must have been sufficiently well known at the Court of Directors when I was sent here by Lord Auckland. These evils continue as they were to this day. Can it be the intention of the Court that they should remain so until some crisis arrives, which may afford a pretext for placing the Nizam's country under a Commission, with our train of English judges and collectors? I cannot believe this to be the intention of the Court, and, if not, surely means ought to be adopted which may avert these consequences. Correction becomes more difficult by every day we remain inactive. The Government of India has in general expressed its concurrence in my views and wishes regarding the Nizam's affairs, but not in the measures which I have recommended as alone likely to accomplish those views. If my suggestions had been objectionable, let others be brought forward. Let me be favoured with commands, which I promise to execute, but let not the only commands be—to do nothing. This deliberate inaction appears to me to be as dishonourable to us as it is injurious to the Nizam.”¹

There can be no doubt, as General Fraser argues here in support of his advocacy for interference that, the financial embarrassments had commenced with the necessity of providing funds for the maintenance of the Contingent, a British ingenuity, and for which purpose things were done that were far from being conducive to good administration.

¹ *Memoirs and Correspondence of James Stuart Fraser*, Col. H. Fraser, 2nd edition.

About this time the relations between the Nizam and his Minister became strained, and so Siraj-ul-Mulk resigned in 1848. Then Amjad-ul-Mulk and Nawab Shams-ul-Umra, an uncle of the Nizam and a Paigah Amir, consecutively held the office of Minister and vacated within a year, when in 1849 Raja Ram Buksh was made Peshkar, and was also made responsible for the administration of the State.

Mr. Dighton, already referred to, was now in the private service of Nawab Siraj-ul-Mulk, and since he had the opportunity of knowing things first hand during the Nawab's ministerial regime, he prepared a report dealing with the administrative condition of the State, in September 1849, from which excerpts are given below:—

“The territories of His Highness the Nizam yield about two and a half krores of rupees, which are supposed to be absorbed in the following proportions:—Speaking in round numbers, I should say the Khalsa may be estimated at one and a half krores. Jagirs, fifty lakhs. The Sarfkhas, districts under the immediate management of the Nizam paying their revenue to his Private Treasury, forty lakhs. Taluks for the Paigah troops, ten lakhs. Total two hundred and fifty lakhs of rupees.

“The expenses of the State are carried on, nominally, from the Khalsa revenue, Rs. 1,50,00,000.

The expenditure may be reckoned as follows:—

	Rs.
Troops, Horse and Foot	73,00,000
Mansabdars (or officers, Civil and Military, attached to the Durbar) ...	12,00,000
Servants of the Nizam	5,00,000
Charges on Government Establishments of elephants, horse, &c. ...	5,00,000
Allowances to the Nizam, his family and household	25,00,000
Contingent	40,00,000
Charges on collecting revenue, say 2 annas in the rupee	20,00,000
	<hr/>
Rs. ...	1,80,00,000

leaving a deficiency of thirty lakhs, besides the interest payable on the debts of the State for money borrowed (arrears of pay due to the troops not being chargeable with that extra demand), which may be estimated at an annual charge of seventy lakhs. The Jagirs 50 lakhs, Sarfkhas 40 lakhs, and Paigah 10 lakhs, are supposed not to be available towards meeting the current expenditure of the State.

“The probable amount of the State debt, as demanded by its creditors, I may venture to state as follows:—

	Rs.
Sahukars, Talukdars, Arabs and other creditors	1,25,00,000
Residency Treasury	60,00,000
The Nizam	2,00,00,000
Arrears of pay to the Troops, say on the whole an average of $1\frac{1}{2}$ years. ...	1,10,00,000
	<hr/>
	4,95,00,000
One year of anticipated revenue	1,50,00,000
	<hr/>
Rs. ...	6,45,00,000

“On emergencies, money is found from the following sources:—His Highness assists from his private treasury, as in the instances of money advanced by him to Maharajah Chandu Lal and to Raja Ram Buksh during their administration. Forced loans are exacted from Talukdars (or collectors of Revenue), who, being already in advance to the Government, make the additional advance, as being more profitable to themselves than would be the resignation of their employment. Sahukars are also called upon to assist the Government, and they too lend their money rather than subject themselves to becoming marked men by the Minister, to whom they look for protection in their pecuniary dealings with others, and a noncompliance with whose wishes would certainly be followed by a withdrawal of his support. Gratuities are demanded from Jagirdars, who, I think, are equally called upon for the value of one year's income of their Jagirs, once in every five years.

“Nazranas are of some assistance to the coffers of the State, though but a small portion of the assessed and paid amount finds its way there. Escheats are also of assistance, and as the Nizam is heir to all his subjects, many of whom are wealthy, valuable property occasionally falls to his hands, but in Nazaranas the greater portion of the value of such escheats is absorbed by others. These extra items are appropriate towards silencing the most important demands, and reduce their amount without showing how the decrease has been effected; they are not exhibited in the accounts furnished, and hence the extraordinary appearance they make of not showing a proportionate increase of debt, which would otherwise be the case with the annual excessive expenditure of fifty lakhs of rupees.

“The Nizam obtains the credit of assisting his Minister, and immediately replenishes his private treasury by the revenues of the Sarfkhas, which ought to be part of the Government revenue. The Talukdars meet the extra demands on them, secure themselves extra profits for so doing, and recover the money with all possible expedition from the districts under their charge. The Sahukars do the same, get assignments on Talukdars of their own recommendation, and get the Government to become responsible for the payment of their demands on some of their debtors, from whom they cannot recover their claims. The Jagirdars immediately assess the sums paid to the Government on the ryots and others in their Jagirs, as an extra demand from them. And with regard to Nazranas, I will venture to say that no man ever paid one rupee under that name that did not speculate on covering it tenfold, either by speculation or downright oppression. The Government claim on escheats is, of all the above, the least objectionable source of revenue, and that is quite as much as can be said in its favour. The Paigah Troops are under Shamsu-l-Umara, who is too powerful to be forced to make advances. The retaining of these troops is a source of great profit to him, and being employed in his own Jagirs and about his person they are useless for any purposes of the State. Maharajah Chandu Lal would occasionally get a couple of lakhs from him by throwing out hints that he intended to order a muster of the troops, which Shamsu-l-Umara, understanding, always evaded by a pecuniary advance. I do not believe that there is a single department in the Nizam's Government, civil or military, which is not corrupt, and in which extensive reductions may not be made to the great advantage

of the State, not only reducing its expenditure but adding to its efficiency. The only department which requires an increased expenditure is the judicial, and that demands to be altogether reorganized. The Mansabdars are supposed to be men of learning and ability attached to the Court, to be employed by it on various duties that may present themselves; they number, I believe, about two thousand, and cost the State annually twelve lakhs of rupees. I would not say that amongst so many there are not some worthy of their emoluments, but I really do not know one that is so. As a body the Mansabdars are the most worthless rabble, who obtain their appointments by presenting Nazaranas.

“The assets of the Government may be put down as follows:—

			Rs.
Khalsa	...	...	... 1,50,00,000
Jagirs	...	...	... 25,00,000
Paigah	...	...	... 5,00,000
Sarfkhas	...	...	... 40,00,000
			<hr/>
		Rs.	... 2,20,00,000
			<hr/>

Expenditure:—

			Rs.
Troops	...	...	... 38,00,000
Mansabdars	...	...	... 4,00,000
Servants of the Nizam	...	...	... 5,00,000
Elephants, &c.	...	...	... 5,00,000
Nizam and family	...	...	... 40,00,000
Contingent	...	...	... 40,00,000
Judicial	...	...	... 10,00,000
Charges for collection of Revenue	...	...	... 20,00,000
			<hr/>
		Rs.	... 1,62,00,000
			<hr/>

leaving a surplus revenue of fifty-eight lakhs of rupees, besides such increase as may be anticipated

will accrue from a better arranged civil administration, and which may safely be put down as an offset to the interest chargeable on the liabilities.

“The one will increase and the other decrease annually, and as these two items cannot form a regular debit or credit in an estimate, they may be allowed to balance each other during the period that may elapse prior to the State becoming free. Allowing the liabilities of the Nizam’s Government to be to the full amount I have estimated them (they are certainly not more), it would require eleven years to extricate the State from its present difficulties. A searching and just inquiry of the fairness of those demands would be of a primary and urgent importance. These debts have certainly increased since Maharajah Chandu Lal retired from office, but in his time they were supposed to exceed two krores of rupees, and he declared that the command of one crore would enable him to settle accounts finally with every creditor of the State.”¹

Mr. Dighton’s report concluded with a recommendation that the State should be placed under the complete control of the British Government until its liabilities were cleared off and an efficient system of administration established.

In 1851 Siraj-ul-Mulk was re-called to his office as Minister, and during the two years of his second tenure he tried to mend matters, but the financial situation had become so aggravated that hardly any time was left for him to think

¹ *Historical and Descriptive sketch of H. H. the Nizam’s Dominions*, S. H. Bilgrami and C. W. Willmott, vol. ii, p. 64.

of internal administration except the vexacious problem of the liquidation of the Contingent debt.

In the year 1852 the expenditure exceeded the revenue of the State by over thirty-one lakhs, as represented in the statement of income and expenditure given below:—

Heads of Income		
	Rs.	Rs.
Tankha Taluks of the Haidarabad and Bidar Subas ...	28,09,544	
Tankha Taluks of the Berar, Bijapur, and Aurangabad Subas ...	14,84,436	
		42,93,980
Taluks under Divani Amils in the Haidarabad and Bidar Subas ...	63,59,661	
Taluks under Divani Amils in the Berar, Aurangabad, and Bijapur Subas ...	53,72,445	
		1,17,32,106
Total Rs. ...		1,60,26,086

Heads of Expenditure		
	Rs.	a. p.
1. Sibandi, Sadir, Rusum, Yomiah and other stipends ...	21,86,420	0 0
2. His Highness's privy purse, allowances to His Highness' relatives and establishment.	25,25,140	4 0
3. The Honorarium paid to the Divan or Minister ...	3,00,000	0 0
4. Troops ...	81,71,479	14 3
5. Mansabdars ...	12,13,595	13 0
6. Other stipends ...	1,04,709	3 3

	Rs.	a.	p.
7. Judicial	48,108	0	0
8. Troops attached to Talukdars.	14,340	0	0
9. Guards in Forts	57,123	12	3
10. Menial servants	3,44,691	0	0
11. Yomiahdars and other Stipendiaries	1,91,411	5	3
12. The pay of the Contingent ...	40,00,000	0	0
Total Rs. ...	1,91,57,019	0	0 ¹

Siraj-ul-Mulk tried his utmost to meet the demands of the Contingent, and he did partially liquidate the outstanding debt, but the British Government was not satisfied and continued to press the Nizam for full settlement.

At last the treaty of 1853 followed, and the Minister was so much mortified at the terms of it that, strange enough, he died three days after it was executed.

On Siraj-ul-Mulk's death, his nephew, Salar Jung, who had been associated with his uncle in the management of his estate for some time previously, was appointed Minister by the Nizam.

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Willmott, vol. ii, p. 73.

UNDER SIR SALAR JUNG
(1853 to 1883)

THE condition of Hyderabad at the time of the appointment of Sir Salar Jung was no better than what it had been before. Whatever source of revenue there was it had already been depleted in the time of the previous Ministers. Indeed, the credit of the Government had fallen so low that even a loan of a thousand rupees could not be raised without much persuasion and security. He wrote to Mr. Dighton, referred to already, "I shall, nevertheless, do my best, with God's help, to restore order in the affairs of this country, and endeavour to extricate the Government from its embarrassments."¹

It was, indeed, a stupendous task that faced Sir Salar Jung to inaugurate a perfectly new system of administration, under which the elementary rights of the people could be safeguarded and the prestige of Government

¹ *Historical and Descriptive sketch of H. H. the Nizam's Dominions*, S. H. Bilgrami and C. W. Willmott, vol. ii, p. 112.

raised. This was altogether a new idea, rather foreign to the old conservative mind of Hyderabad to have anything like an organised administration. As we have noticed previously, there was not at the time a shadow of any civic rights in the enjoyment of the people of the State, nor any systematic method of administration. Added to this, at the time when Sir Salar Jung came to the helm of affairs he had no personal influence with the Nizam, and he wrote to Colonel Low, the then Resident at Hyderabad: "You are aware that Burhan-uddin is my medium of communication with the Nizam, and he is the only man who has influence enough with His Highness to persuade him to consent to my measures."

The money-lending classes, the Arabs, the Rohillas, and the Marwari Sahukars still held the key to the situation. The secret of Sir Salar Jung's success lay in the fact that no sooner he assumed the office than he enlisted on his side these sinister sections.

The progress of Sir Salar Jung in the development of a system of administration may fall under three periods.

1853-1863.

Since the principal source of income to the Government was the land revenue, and realising

that the whole chaotic state of administration was largely due to the previous erratic revenue system, Sir Salar Jung abolished the farming out of revenue to money-lenders. These old taluqdars were gradually dismissed and new officers, still styled taluqdars, were appointed in their stead and provided with a staff of subordinates chosen by Government, with fixed salaries from the Government exchequer. The duties of these officers were well defined and they were held responsible directly to the Government. The peasant, no longer oppressed by fraudulent taxation, was able again to make a living by cultivating the land, and deserted villages became inhabited once again.

The creation of a regular and effective police force was long-needed throughout the State, and a beginning was now made. A number of sepoys were allowed to exercise under the supervision of each taluqdar the functions of police, and a force, known as the *Jamiat-i-Zilladari*, was formed and placed under a number of *Zilladars*, whose duty it was to keep order and peace in the districts. A Central Committee consisting of a President and four members was formed to attend to this duty in the capital city.

The next important administrative measure was to afford and guarantee to the people justice and redress, and for this purpose

Munsifs and officers holding the rank of a *Mir-e-Adal* were appointed throughout the Dominions to attend to civil and criminal cases.

A Government central treasury was established in the city in 1855. Traffic in children was prohibited in 1856.

AFZAL-UD-DAULA

(1857-1869)

In 1857 His Highness Nasir-ud-Daula died, and he was succeeded by his son Nawab Afzal-ud-Daula Bahadur.

The system of farming the taxes levied on imports and exports was abolished and the Customs department was formed in 1861, which in addition to its formal work, collected the duty on salt from Masulipatam and Kokan ports, a task that had formerly been entrusted as other revenue collections to contractors. A Stamp Paper office and a department for execution of orders and decrees of the city courts of justice were established in 1862. A Secretariat was also established under the Minister in 1863 to exercise supervision over the administration of justice in the country.

These reforms improved for the time being the administration of the country and raised morally its prestige, leaving, nevertheless, still much to be done.

1864-1880

The unit of administration in the Nizam's Dominions, as in other parts of India, has always been the village with a collection of holdings around it by cultivators who live together as a body with a certain amount of union and community of interest among themselves. These were united according to administrative convenience into several taluqas, which again were formed into districts, and further on into Subahs, or provinces. This arrangement was adopted from the Mughal system of civil administration. Thus the Dominions of Hyderabad were divided into six *subahs*. After the troublous period of wars, the Dominions stood composed of the five subahs, *viz.*, Hyderabad, Aurangabad, Bidar, Bijapur, and Berar. These divisions did not continue long on account of the following causes that combined to obliterate gradually the territorial boundaries:—

(a) Assigning or ceding of territories from time to time.

(b) Liberal and free grants of jagirs.

(c) The farming or contract system for the collection of land revenue, without any defined limits of the *sirkars*.

This state of the land without well defined boundaries made it extremely difficult to grapple with the administration of land

revenue. The *Diwani* territory at this time, with the exception of the restored districts of Raichur, Naldrug, and Dharaseo, which had been divided into taluqs for purposes of administrative authority did not correspond with the territorial divisions of the country. Therefore the country was redistributed into well defined proper districts called *Zillahs*, sub-divided into *Taluqs*, with definite boundaries, administered by a regular establishment working under the direct control of the Government.

This reform, known as the *Zillabandi*, was promulgated in 1864, its work being entrusted to the *Majlis-i-Malguzari* or Board of Revenue to supervise, direct, and control affairs connected with the revenue administration of the entire *Diwani* territory.

By now the *subah* of Berar had been assigned to the British Government in lieu of the payment of the long vexatious Contingent, and so there remained only four *subahs* to form the whole of the Dominions, which after a careful redistribution was divided into 18 districts and 109 *taluqs*. At the head of each *talug* was appointed a *tahsildar*, whose principal duty was the collection of land revenue. Above the *tahsildar* was the *talugdar*, with two or more assistants to help him in the discharge of his executive duties. Government treasuries were established in each

taluk and district and placed in charge of their respective tahsildars and taluqdars.

Having divided the country into civil divisions, a regular system of assessment, survey, and settlement was also introduced. Under the new system, instead of making the assessments at harvest time, when the peasant was not allowed to touch his crops until assessment had been completed, assessment was made on a fixed scale once in a year, and the peasant could dispose of his harvest when and how he chose.

Regarding this new system of assessment, the annual report of "Moral and Material Progress" for the year 1867-8 states: "Pains have been taken more and more to render the annual settlements equitable and moderate," also "that all classes high and low connected with land or trade continue to flourish."

The principles of land survey made were based on those laid down in the Survey Report by Mr. Goldsmid and Sir George Wingate. In this system a field was the unit of survey. After survey and classification of land, settlement was made with due regard to climate, proximity of markets, agricultural skill and the condition of the cultivators. The term of settlement was the same as in British India, *i.e.*, 30 years. As some difficulty was experienced in obtaining the services of trained men for the survey, a

Revenue Survey school was established at the suggestion of Mahdi Ali Khan, Nawab Muhsin-ul-Mulk, the then Commissioner of Survey. Pupils were selected from the nobility and well-to-do classes and after training in theory they were sent to the districts to learn the practical work. The school having fulfilled its object after about a year was closed.

In 1880 Sir Richard Meade, the Resident (1875-81), inspected the public offices in Hyderabad, and then wrote to Sir Salar Jung as follows: "Now that I understand we have finished all that Your Excellency wished me to see in connection with the affairs here, I think I may assure you in this way of the very great gratification that has been afforded me by this opportunity of observing their condition and working. The work and records of the Survey Department appear to me to be admirable and leave nothing to be desired, and the care that has been bestowed on everything in this department was very striking. The Settlement operations are, of course, quite distinct from the Survey work, but I gathered that they are being conducted with equal care."

Sir Salar Jung saw the apparent necessity of improving the economic condition of the peasant, and he granted further concessions to him. Land attached to his house was exempted from taxation, fallow lands were freed from

assessment, household utensils and implements of husbandry were prohibited from being attached, and proprietary right to his holding was conferred upon him. Never under any previous administration had any attention been paid to promote the welfare and prosperity of the peasantry, and the Government under Sir Salar Jung recognised the fact that the greater the prosperity of the agricultural class the more prosperous would be the condition of the State. These reforms proved to be such a great success that, thirty years later the revenue of the State was nearly three times more, while in Hyderabad city itself it had been more than trebled.

Reviewing the condition of the Deccan in a despatch in August 1867, Sir Richard Temple said: "The constitution, system and principles of the Nizam's Government are really excellent."

Again, Mr. C. B. Saunders, Resident at Hyderabad from 1868 to 1872, thus speaks of the improvements in Hyderabad administration: "It is hardly too much to say that the Hyderabad with which I became acquainted in 1860 was to the Hyderabad which was described, for example in the despatches of my predecessor, Sir Charles (afterwards Lord) Metcalfe, as the England of the present day is to the England of the Stuarts—a result essentially due, as the Government is aware, to the beneficent

administration and sound policy of the present Minister, Sir Salar Jung, and to the support afforded him by my previous predecessor. Not only was the public treasury full, but the annual income of the State exceeded the annual expenditure by about eight lakhs of rupees (Rs. 800,000), while the credit of the Government stood proportionately high. Owing chiefly to the abolition of the baneful system of former times, by which the collection of revenue was farmed out to contractors, disturbances in the interior of the country became rare. The Hyderabad Contingent has not fired a shot, except on their own parade ground, since the suppression of the Mutinies. In no respect does the recent administration of His Highness' country contrast more favourably with the state of things prevailing twenty years ago than in the regard to revenue matters."

In 1868 a new reform creating four *Sadr-ul-Muham*s or Assistant Ministers was introduced, and among them all the Government departments were distributed. These officers ranked next to the Minister and were given full powers of supervision and control over the departments entrusted to their charge. Each *Sadr-ul-Muham* was provided with a Secretary and an Assistant Secretary and the requisite establishment of subordinate officers and clerks.

In the judicial system too far-reaching changes were effected. Two new courts and

another, which may be described as an Appellate Court of Judicature, having jurisdiction over the whole of the Diwani territory, were established.

REGENCY

(1869-1884)

In February 1869 His Highness the Nizam Afzal-ud-Daula died leaving an infant son, Nawab Mir Mahboob Ali Khan, who was proclaimed Nizam, with a Co-Regency consisting of Sir Salar Jung and Nawab Shams-ul-Umra to carry on the administration of the country, till the Nizam attained seniority.

With the formation of civil divisions and the organisation of the revenue, civil and criminal administration in the mofassil, it became easy to create new departments, to facilitate promptness and efficiency. Thus the Police, the Medical, the Educational, the Customs, the Forest, the Inam, the Survey and Settlement, the Public Works, and the Postal departments were established in rapid succession and were in full working order by the year 1880.

1881-1883.

As a result of the reforms introduced from time to time in the previous years, it was found that the administrative work was daily increasing in volume, and that much of the time of

the Minister and the Sadr-ul-Muhamms was being taken up by matters of minor importance which could be handled by subordinate officers. In order to remove this defect, the powers hitherto enjoyed by the subordinate officers were revised and enhanced. The Sadr-ul-Muhamms were re-styled *Moin-ul-Muhamms* and they retained their respective portfolios except that the Revenue and Finance departments were placed under one Moin-ul-Muham. A Notification was issued on the occasion of the reorganisation of the State administrative machinery, and it well summarises the whole of Sir Salar Jung's administration.¹

The scheme, which was subsequently slightly modified in some of its details, was brought into operation by the Minister in November 1882, commencing with the appointment of a Revenue Board.

The following statement of income and expenditure of the State for 1882-83 may be compared with that shown at the close of Nawab Siraj-ul-Mulk's administration in 1853:—

¹ See appendix 'A'.

GENERAL ABSTRACT STATEMENT OF
AND RECEIPTS AND DISBURSEMENTS

Heads of Revenue and Receipts	Rs.
1. Revenue derived from Land, Abkari, Forest, Customs, Stamps, Mint, Berar surplus, Law and Justice, Jails, Police, Post Office, Education, Printing, Money Order fees, Minor departments, Interest, Desh-patti, Miscellaneous, Military, Public Works, and State Railway...	2,98,71,000
2. Receipts from Village Service funds, Money Order remittances, Deposits, Advances recoverable, Railway Capital, and Sale proceeds of Promissory Note...	59,50,000
Total ...	3,58,21,000
Opening Balance ...	63,16,151
Total ...	4,21,37,151

THE DIWANI REVENUE AND EXPENDITURE
FOR THE YEAR 1292 F. (1882-83 A. D.)

Heads of Expenditure and Disbursements	Rs.
1. Land revenue, Abkari, Forest, Customs, Stamps, Mint, Law and Justice, Jails, Police, Post Office, Education, Printing, Money Order establishment, Medical, Administration and Public departments, Pargana Vatandars, Allowances and assignments, Kilats etc., Refunds and drawbacks, Interest, Miscellaneous, Famine, Payments to His Highness, Stables and elephants, Supplies and Services, Mansab, Military, Public Works, Municipalities, and State Rail- way	... .. 2,89,43,000
2. Village Service fund, Money Order remittances, Deposits, Advances re- coverable	... .. 58,00,000
Total	... 3,47,43,000
Closing Balance	... 73,94,151
Total	... 4,21,37,151

Sir Salar Jung was not a well read man, as understood today. He was surrounded by a multitude of sycophants come from every degenerated part of Muslim society in India; yet the genius of his mind triumphed. Like a brave man he cut his personality across every difficulty, and overhauled every domain of administration. He endeavoured his utmost to settle with the British Government the vexed question of the Hyderabad Contingent and eradicated all evils in the revenue department and brought the Budget within the limits of solvency, such as had never been known to the exchequer for generations together.

Sir Salar Jung met an untimely death in 1883, before he could witness with his own eyes the completion of the edifice whose foundations he had laid in very trying circumstances.

Thus passed away a great man. His achievements were a panorama of great deeds. But for him Hyderabad would have passed through the travails of Mysore. Whatever that has happened since his death has been a confirmation of his administrative reforms, and a consolidation of his policy on broader and deeper lines.

VI

UNDER THE LATE NIZAM (1884 to 1911)

ALTHOUGH the late Sir Salar Jung's reforms had become a permanent feature of the administration of Hyderabad yet its smooth working was soon after his death disturbed by intrigues, as usual one party looking to the Residency for favours and the other to Eastern kindnesses from at home. In this conflict the administration of the country suffered a set-back. Many of the late Minister's henchmen, who were in the service of the State, were intimidated and sent out of Hyderabad. Even Sir Salar Jung's son, Nawab Laiq Ali Khan, who was co-administrator with the Peshkar, Raja Narender Pershad, was kept as far as possible in the background. Describing the affairs of the State, Mr. W. S. Blunt, who had come out to India at this time, and visited Hyderabad, in his diary states: "the Peishkar paid little attention to business, and the affairs had got into a bad state; a

general round of plunder as in the old time had been signalised, there was no public office at which business was transacted, and the Peshkar deliberately ignored his co-administrator Salar Jung." This state of affairs, he observes, "was encouraged by the Residency, whose policy it was to show that the native government was unfit to keep order in the country."¹

The outcome of the intrigues was that, a Council of Regency, consisting of the Peshkar, Sir Asman Jah, and Nawab Shams-ul-Umra, was appointed in place of the co-administrators. Nawab Laiq Ali Khan was made the Secretary to the Council, and so without voice in its decisions.

In February 1884 Lord Ripon, the then Viceroy and Governor-General of India, visited Hyderabad, and after exchanging views with the Nizam and others it was decided to invest the Nizam with full sovereign powers. And with this decision arose the question of the appointment of a Prime Minister. As Mr. Blunt's diary shows there were more than one person aspiring for this high position, and party interests worked hard both in the court of the Nizam and in the parlour of the Residency. Eventually the young Laiq Ali Khan was agreed to between the Nizam and the Viceroy to be the Prime Minister.

¹ *India under Ripon* W. S. Blunt, p. 62.

A grand durbar was then held, in which Lord Ripon and others participated, when the young Nizam's full authority over his Dominions was recognised.

A humorous incident connected with the Durbar has been narrated by Mr. Blunt, who was present at the function, in his diary thus: "The Peishkar, who came to take his seat next the thrones was bundled out of it, to his confusion, and made to take his chair several places down. Poor old man, he seemed quite dazed, for it was the first he had heard of his disgrace. I hear the poor Peishkar was so utterly confounded that he walked home immediately after the ceremony without waiting for his carriage, and was picked up somewhere in the street by his servants, having lost his way."¹

As soon as the young Nizam assumed the sovereign rights of the State, the first thing he did was to issue a proclamation to his subjects expressing his solicitude for their happiness and welfare in the following words:—

"Nothing will afford me greater pleasure than to see my people living in peace and prosperity, engaged in the development of their wealth, in the acquisition of knowledge and the cultivation of arts and sciences, so that by their efforts the country may rise to a high

¹ *India under Ripon*, W. S. Blunt, p. 187.

state of enlightenment and the State derive support and benefit from their knowledge and intelligence. It is my earnest hope that the Minister and all the officers of the State relying on my protection and support, will always be zealous in the promotion of good and the suppression of evil and will protect the rights of the people without fear or favour."

During the period Nawab Laiq Ali Khan held office he endeavoured to continue the reform and general progressive administration of the State so substantially initiated by his father. One important change he effected was the amalgamation of the establishments of Assistant Ministers with those of the Minister, although they were allowed to remain under the new appellation of *Moin-ul-Muham*. The result of this change was that, the Secretaries became powerful, relegating the Assistant Minister into obscurity, and this position reacted on the Minister himself.

For the purpose of legislation, a consultative council, called the "Council of State", was established, the Minister being its first member. The other members were Nawabs Kurshid Jah Bashir-ud-Daula, and Vikar-ul-Umra, and the Peshkar. The Nizam was the president of the Council.

The atmosphere of intrigue continued to prevail; the confidence and friendship which had

from the outset existed between the Prime Minister and the Nizam were consequently disturbed, and the former was compelled to resign his office, which he did in April 1887.

The Nizam now had to take the office of the Minister into his own hands and conduct the administration, assisted by an adviser and a secretary, for about a year. The files of each secretariat, after having been duly laid before its respective *Moin-ul-Muham*, were sent to the Nizam, who studied carefully each file and passed his orders thereon. As the result of the procedure followed by the Nizam the secretaries were reduced to their proper position and the Assistant Ministers, emerging from their obscurity and inactivity, became once more useful members of the administration.

Although the Nizam himself was anxious, as were his subjects, to continue his personal administration, yet, as the ancient constitution of the State necessitated the appointment of a Minister, he was obliged to follow the time-honoured custom, and appointed Sir Asman Jah as Minister.

Sir Asman Jah was an old and tried administrator of ability having acted more than once in that position before. In the very first year of his administration important changes were made in the State budget with reference to both the receipts and the expenditure.

Important modifications were also made in the Revenue department. The extension of indigenous industries commenced by Sir Salar Jung was encouraged throughout the State, and the necessary stimulus given to trade and commerce. In order to afford agriculturists greater facilities, an Irrigation Board was established, and a liberal sum of ten lakhs of rupees for the purpose was allotted in the budget.

The state of affairs when Ministers were in the background revived and Secretaries assumed once again complete authority over the departments of administration. The Nizam aptly dubbed the situation as "an Administration of Secretaries."¹

When Sir Asman Jah visited Calcutta in 1883, the Viceroy, Lord Dufferin, warmly congratulated him and expressed his appreciation of all that he had done to improve the administration of Hyderabad. This nobleman guided the affairs of the State for six years, at the end of which he resigned the office, and his cousin, Nawab Sir Vikar-ul-Umra took charge of the administration in 1893.

The year 1893 marks the second stage of a definite constitutional advance in the administration of Hyderabad. His Highness the Nizam announced to the people the

¹ *Qanurcha-r-Mubarik*, 1310 H.

institution of many important changes in the constitution of the Government through an edict known as *Qanuncha-i-Mubarik*. It is an exhaustive document of great importance in which the Nizam has reviewed the past administration of his State, with an insight that may do credit to any ruler.

He next set out in detail the major defects of the existing system demanding immediate attention, and the scheme of his reforms, conducive to the peace, contentment, and happiness of his subjects, was adumbrated. Finally His Highness emphasised certain principles to be particularly observed in the new system; and while declaring that "the character of a Government could only be judged by the extent of its contribution to public peace and prosperity as well as to a solvent exchequer", His Highness enjoined scrupulous observance of all the administrative principles he had laid down to ensure the fulfilment of the above ideals.

The important features of the new scheme were the institution of a Cabinet Council for executive business, and a Legislative Council for the purpose of framing laws, in place of the Council of State, which was an executive and legislative body combined, but which seldom met and hardly transacted any business. The Cabinet Council was a consultative body,

composed of the Prime Minister, the Peshkar, and the departmental Ministers, the Prime Minister being the President. All matters of administrative importance were to be referred to this Council for settlement, as also were any matters on which there might be a difference of opinion between the departmental Ministers and the Prime Minister. Certain classes of business were specially reserved for the consideration of the Cabinet Council, such as the annual State budget, final disposal of cases for report on which special commissions had been appointed, questions relating to State concessions, important questions arising out of the proceedings of the Legislative Council, and any other matters which from time to time were considered proper for the Council to deliberate upon. The Prime Minister, as President of the Council, had the right of over-ruling any decision arrived at by a majority of the Council subject to the Nizam's consent.

Rules were issued clearly defining the duties and powers of the Cabinet Council, the Prime Minister, the Peshkar, and the departmental Ministers. The distribution of work among them was as follows:—

The Prime Minister had under his own supervision Finance, Political, Revenue, Stamps, Mint, Post Offices, Regular Troops, and stud.

The Peshkar was in charge of the Imperial Service and Irregular Troops.

The Minister of Justice and Public Affairs had Justice, Jails, Registration, Medical, Religious Institutions, and the Court of Wards.

The Minister of Police and Public Works had Police, Public Works (including Railways and Mines), Municipalities, and Sanitation.

There were six Secretaries in charge of Finance and Revenue, Judicial, Police and General, Public Works, Military, Private Secretariat, and Daftar-i-Mulki (Persian) respectively.

In the year 1898 the main principles of the new scheme in the form of a few simple rules, excluding unnecessary details, and embodying such modifications as the five years working of the new constitution had suggested were promulgated. ۛۛۛ

In the latter half of 1901 Sir Vikar-ul-Umra took ill, and the Peshkar, Maharaja Sir Kishen Pershad, officiated for him till about a year when afterwards he was appointed as Prime Minister on his death.

From the time of that great statesman, Sir Salar Jung, the Hyderabad Government had kept before them the ideal of an efficient and benevolent administration. At the beginning of the present century, the Nizam saw that that object had not been achieved in a very marked

degree owing to financial difficulties, and therefore he fixed his civil list and took measures to place the finance of the country on a sound basis. As the result of this in the ten years that followed the administration reached a high degree of efficiency.

Hitherto there was no Minister for the Finance department which had remained all along directly under the Prime Minister's control. In 1901 a Minister for Finance was appointed and given wide powers, and with it there was a re-shuffling of portfolios among the Ministers.

Nawab Mir Mahboob Ali Khan was a progressive ruler of independent character and sound judgment, and during his rule an all-round progress in the administration as well as in the general welfare of the State was maintained.

The system of revenue settlement was revised to the benefit of the peasantry; new irrigation works were constructed, and the old ones restored and improved; encouragement and impetus was given to industries and crafts; and railway system was developed. He paid particular attention to education. A number of schools were opened in the districts, and schools of medicine were founded both for men and women. He was anxious to further the cause of science in the State, and in 1889 he invited Dr. Lauder-Brunton and other eminent

medical men to Hyderabad to investigate experimentally the effects of chloroform, to the cost of which he contributed Rs. 15,000. Large sums of money were spent on the reform of the judicature, the reorganisation of the Police, the exploiting of mineral resources, and overhauling the Abkari and Forest departments. The financial stability of the State was quite secure, and its cash deposits and securities which amounted to one crore and thirty lakhs in 1901 were increased to over five crores in 1910.

In the month of August 1911 His Highness died, and thus ended the reign of the ruler who brought the administration of Hyderabad into line with British India, and kept it above the intrigues and counter-intrigues that had disturbed the early years of his reign.

The late Nizam was well known throughout India for his generosity, kindliness, and saintly character. The Hindus looked upon him as an avatar, and even today Hindus and Muslims alike visit his tomb daily in large numbers. It is popularly believed that vows made in his name are unfailingly fulfilled, and that a rose-petal from on his grave has the power of an antidote for snake-bite.

VII

UNDER THE PRESENT RULER (1911)

THE present ruler, His Exalted Highness Asaf Jah, Muzaffar-ul-Mulk Wal-Mumalik, Nizam-ul-Mulk, Nizam-ud-Daula, Sultan-ul-Uloom Nawab Sir Mir Osman Ali Khan Bahadur, Fateh Jung, G.C.S.I. G.C.B.E., is the seventh Nizam in the line of the Asaf Jah dynasty; and he ascended the throne with the declaration that in every way he would do his best to do good to his people and his country by following in the footsteps of his late lamented father, Nawab Mir Mahboob Ali Khan Bahadur.

His Exalted Highness has a powerful personality, possessing determination of character. He has a marked aptitude for business, which characteristic he showed even when he was heir-apparent by digesting the many State documents that, by order of his august father, were placed before him every morning. His upbringing has been somewhat stoical and strenuous. His Exalted Highness takes keen

interest in all matters of administration and has identified himself with every scheme of development of Government machinery. No one works more laboriously, and he is always ready to support any measure designed to improve the conditions under which his twelve million subjects live and work.

1911-1919.

In 1912 Maharaja Sir Kishen Pershad Bahadur desired to be relieved of the heavy responsibility of Prime Minister, retaining, however, the office of Peshkar, and His Exalted Highness appointed in his place Nawab Yusuf Ali Khan Bahadur, Salar Jung III, as Prime Minister.

During the eleven years of Maharaja Bahadur's ministry every branch of the Hyderabad administration was improved, and when the Viceroy, Lord Hardinge, visited Hyderabad in 1911, he congratulated him on the successful administration of the State as well as the remarkable advance made in so many directions.

When the young Salar Jung took the reins of administration into his hands, it was hoped that before him lay a long career of public administration in Hyderabad, and the reference made to this feeling by the then British Resident, Colonel A. F. Pinhey, speaking on the occasion of the birthday anniversary banquet given by His Exalted Highness at King Koti Palace, is significant.

“Salar Jung!” spoke the Resident, “What a name to conjure with in Hyderabad! He has everything in his favour to start with, youth, an historical and honoured name, and an unblemished character. I see no reason why he should not meet with as much success or even more than his illustrious grandfather, and in congratulating him, we can, at the same time, congratulate His Highness on the wise and popular choice which he has made.”

Shrewd and cultured as the young Salar Jung is, he tried to emulate the life-work of the great Sir Salar Jung, and during the brief period of a couple of years of his ministerial regime, with which so many party intrigues and conflicting interests had to be encountered, he maintained the prestige of the administration.

Speaking, on the occasion of His Exalted Highness' birthday dinner and ball held at the Falaknuma Castle, in July 1914, six months prior to the young Minister's resignation, Mr. Stuart Mitford Fraser, the officiating Resident, said: “the official history of the State has been one of steady progress in every department of Government, marking the initiation of well-considered and wide-reaching schemes for the development of the resources of the State, the opening up of communications and the

improvement of the material and educational conditions of the people."

Referring at the same time to the personal activities of the Nizam, the Resident said: "I am only stating what is well-known to every one in Hyderabad when I say that he has established a reputation among those who work with him for the keen interest he displays, his official openness of mind and breadth of judgment which result in every scheme of importance for the welfare of his subjects receiving prompt attention at the hands of his Government."

In December 1914 Salar Jung resigned his office.

His Exalted Highness, who ever since his accession has been giving undivided attention to the affairs of the State and mindful of the welfare of his subjects, now took the direct administration of the Dominions into his own hands.

In his administration, the Nizam closely proceeded on the lines chalked out by the late Nizam as the result of which many and varied improvements were made in the State. During the quinquennium of His Exalted Highness' personal administration the financial condition of the State was made sound, and the currency, which is a unique institution of the State, was placed on a secure foundation. The total

revenue collection in the Dominions averaged five crores per annum against an expenditure of a little over four crores, leaving a substantial surplus at the close of each official year so that the reserve fund at the end of the quinquennium amounted to three crores, the cash balances were over two crores and Government investments stood at over seven crores. In public welfare departments, the educational system was thoroughly overhauled, the Medical department was reorganised and a sanitary department established, two lakhs of rupees were set apart for the City Improvement Trust, and the railway system was extended. And to improve the material and economic condition of the peasant and the poor such useful departments as Agricultural and Co-operative Credit Societies were created during this period.

For five long years His Exalted Highness worked hard ever thinking in mind as to how the happiness and prosperity of the peoples of of Hyderabad, in whose contentment and advancement the interest of the House of Asaf Jahi has from the earliest time been paternal and abiding, could be enhanced. His close and personal association with the administration of the State during this period revealed to him the many flaws in the existing constitution, and he set about thinking seriously to replace it by inaugurating such a system of administration as would not only secure greater efficiency, and

ensure happiness to his people but also bear in mind the change of time, complexities of modern life, and new political perceptions. While the Montague-Chelmsford reforms were agitating the mind of people in British India, the people in Hyderabad were anxiously looking forward to the announcement of a new constitution of Governmental machinery.

It may be observed that in the long course of history since 1893 during which the constitution inaugurated by the late Nizam had been in operation, many abuses might have crept in, and in the light of progressive thought and political advancement in British India might have been found wanting. The principal flaw in the existing constitution lay in the highest deliberative body of the State, the Cabinet Council itself. It failed to function so usefully as was expected at the time of its creation because of its being merely a consultative body, without power to enforce its decisions and without responsibility for the consequences of their practical application. This aspect of the constitution was characterised by the present Ruler as suggestive of those conditions of success which ought properly to constitute the foundation of every political structure intended for the prosecution of great objects and for the realization of large results, associated with the advancement of public welfare. The other minor defects found in practical working were :

firstly, lack of co-ordination and co-operation among the various departments, resulting in a multiplication of labour; secondly, undue delay in the disposal of cases; and thirdly, confusion of functions due to incomplete demarcation of powers of each department. Although there was a provision in the constitution to frame rules for the working of each department and for the regulation of inter-departmental activities yet it does not seem to have been acted upon.

His Exalted Highness had the sagacity to realise that something should be done radically to set these things right by giving to his administration a new form of government.

THE NEW CONSTITUTION

“One important condition of success in the prosecution of any large scheme of public good is the adoption of administrative methods to the requirements of the objects intended, as the principle of continuity in good Government is more a matter of political system than of the personal attributes of Rulers.” With this high conception of polity His Exalted Highness proceeded with the inauguration of the New Constitution.

The Nizam decided upon a large measure of devolution of power, subject to his ultimate control and authority, and to employ on a large

scale institutional rather than personal agencies for the administration of the State. Accordingly he decided that the larger portion of the duties discharged hitherto by the Prime Minister should be transferred to an Executive Council, and the enhanced powers conferred on the departmental Ministers at the time he took the administration into his own hands be withdrawn.

Thus on 17th November 1919 the old Cabinet Council was dissolved and the administration entrusted to an Executive Council with a President. A constitution was promulgated defining cases which required His Exalted Highness' orders, cases which could be disposed of by the President and cases which must be referred to the Council, as well as the powers of the Council, its President and the Members, and their collective and individual responsibilities.

At a durbar held on this day to mark this memorable event His Exalted Highness the Nizam made the following inaugural speech:—

“This Durbar has been convened to mark an event of very great moment in the history of my Dominions. As you are all probably aware the original form of Government in this country was a pure autocracy assisted by a Prime Minister. It is a matter of history, how, with a few honourable exceptions, the Prime

Ministers of the past, steadily pursued the policy of undermining the authority of the Nizams under whom they served and to whom they owed allegiance as subjects and servants. The State archives are replete with evidence of such transgressions resulting in friction and the destruction of administrative efficiency so largely detrimental to the public weal. The passion to grasp at power, however unlawful and unconstitutional, dried up the sources of initiative and reform.

“Successive Ministries disclosed the imperfections of the system. My father, long after the death of the first Salar Jung, having given his reorganisation of the administration a full and fair trial, was deeply impressed by the defects present in it and was impelled in 1892 to promulgate the “Qanuncha Mobarick” defining thereby the powers and responsibilities of the Prime Minister and his Assistants. A further attempt at efficiency was made by the issue of the “Rules of the Qanuncha”.

“Soon after my accession, my own scrutiny and examination of the administrative problems of my Dominions convinced me that the defects were ineradicable unless and until there was a structural change in the Government. After anxious and mature consideration, I decided to take up the heavy burden of direct administrative charge without the help of a Prime

Minister. For five long years I have toiled hard and ever kept in view the measures that promised to secure the happiness and prosperity of my beloved subjects in whose contentment and advancement my interest is paternal and abiding. Close and personal association with the administration has revealed to me the necessity of another departure from the existing method. Change of time, complexities of modern life, new political perceptions in the East and the internal and external interests of my Dominions have put such a severe strain upon personal and direct control as to call for some immediate measure of appreciable relief. Finding it impossible to revert to a system whose repeated breakdown had proved its futility, I resolved after much reflection to give my Government a new constitution which would secure greater efficiency and ensure progressive force. Experiment elsewhere has proved that Council form of Government has many and varied advantages over government vested in a single official however eminent. It is my earnest desire, therefore, to secure these advantages for the well-being of my people.

“With this end in view I have by a Firman¹ issued today, constituted an Executive Council, consisting of a President, 7 Ordinary Members and an Extraordinary Member without a portfolio. Under well considered rules the

¹ See appendix ‘B’.

powers of the Council, its President and the Members have been defined and their collective and individual responsibilities fixed. Its personnel has been determined with the greatest possible care. It includes men of mature experience and approved merit. The President, Sir Ali Imam, needs no introduction. His career in British India is very well known. A Council so constituted will strengthen the administration in all its branches and offer sound advice on those matters affecting the larger interests of the State that have been specifically reserved for the exercise of my own powers. Its corporate action will give administrative cohesion and yield results highly beneficial to my people. The spread of education, the development of economic resources, the encouragement of commercial and industrial enterprise, the adoption of advanced sanitary and hygienic measures, the improvement of roads and communications and many other measures await solution.

“In these and other directions of internal reform the labours of the Council will be of inestimable value no less than in matters of general policy and the political relations of my Government with the Government of India. These are as friendly and cordial as in the past. Ever since the dawn of British rule in India an unbroken record of alliance and friendship with my house has been maintained. In more than

one crisis the sword of an Asaf Jah has been drawn in the defence of the honour and integrity of the British Empire. My own contributions to win the world-wide war from which the British Empire has so triumphantly emerged are too well known for me to dwell upon. The Council will, therefore, find itself in a happy position to approach the all important question of the restoration of the Berar. My claim to the possession of this integral part of my Dominions is based on absolute justice and it is inconceivable that on an impartial examination it can be ruled out. I shall, therefore, await the advice of the Council on this momentous question with deep interest.

“To my Nobles, Officials, Jageerdars and my beloved subjects generally I commend this new Constitution and earnestly call upon them to support it with unfaltering 'devotion and loyal co-operation. No constitution can fulfil its functions without strict and jealous regard to its observance.

“With these words, I wish Sir Ali Imam and his colleagues every success in the discharge of the great duties upon which they now enter.”

When the appointment of the late Sir Ali Imam as ‘Sadr-i-Azam’ or President of the newly constituted Executive Council was announced every one in Hyderabad as well as

in British India welcomed it as the inauguration of a new life and vision for the State, in as much as Sir Ali Imam was expected to introduce reforms which would give shape to the progressive ideals of His Exalted Highness in matters of public administration.

Sir Ali's first measure of great importance was the separation of Judicial from Executive, a reform for which people in British India have been clamouring for the last half a century. The next scheme that he propounded was of a very far-reaching importance, and had it been accomplished the whole historical geography of the Nizam's Dominions would have been altogether different today. It was the Colonization scheme, where by the colonisation areas, which consisted of extensive tracts of land lying waste and profitless to the State and the public alike, were to be formed into blocks of varying sizes from 100 acres upward with judicious and equitable distribution of good and bad lands. When plots were marked out the fullest publicity was to be given with all necessary particulars and description. The blocks were to be settled in perpetuity conferring on the colonists the full and complete occupancy rights in the entire holding, which were to descend to their heirs and successors by the law of primogeniture. The grant in settlement was to be under an instrument, the sign manual of the sovereign, His Exalted Highness the Nizam.

By this scheme Sir Ali Imam aimed evidently at exploiting the waste land in the Dominions, and incidentally increasing the wealth of the State, as also the population. But an influential section of opinion raised a hue and cry against the scheme, which they very wrongly characterised as anti-national calculated to harm the interests of the sons of the soil.

It is rather unfortunate that before any further reforms could be adumbrated, Sir Ali Imam had to resign and leave the State in 1922.

The next President was Nawab Sir Faridoon Mulk Bahadur, who retired after a year. He was succeeded by Nawab Wali-ud-Daula Bahadur, and he continued to be the President till 1925 when Maharaja Sir Kishen Pershad Bahadur was once again honoured with the highest office of the State. In spite of his advanced age Maharaja Bahadur is still continuing to discharge his duties.

The Council is at present composed of a President and six Members called 'Sadr-ul-Mohams' in charge of Finance, Law, Military, Revenue, Public Works, and Political portfolios. The distribution of subjects among them is as follows:—

The Finance Member deals with Finance, Accounts, Treasury, Mint, and stamps, Electricity, Railways, Co-operation, and Mines.

The Law Member is in charge of Legislative Council, Legal advice, Judicial Committee, Judicial, Ecclesiastical, and Stamps and Registration departments.

The Military Member has under him the Regular and Irregular troops, Educational (including Osmania University and Observatory), Veterinary, Medical, and Postal departments.

The Revenue Member has Land Revenue, Court of Wards, Jagir and Inams, Famine and Revenue Inspection, Settlement, Forests, Customs, Statistics, Local Funds, Industries and Commerce, Agriculture, Excise, and Police and Jails.

The Public Works Member has under his supervision Public Works (Roads and Buildings), Irrigation, Flood and Water works, Telephone, and Electricity pertaining to districts.

The Political Member is in charge of Political department, Hyderabad Municipal Corporation, City Improvement Board, and Public Gardens.

The President is invested with the powers of the Chief controlling authority in the State, and is responsible to the Nizam for the proper administration of the various departments of Government. All matters beyond the powers of departmental Members are referred to him for orders. He also carries on all correspondence

between the Nizam's Government and the British Residency, a weekly statement of which has to be submitted to His Exalted Highness.

There is one Chief Secretary Peshi Department and ten Government Secretaries, Political, Financial, Judicial, Revenue, Secretary Legislative Department, P. W. General Branch, P. W. Irrigation Branch, Military, Commerce and Industries, and Ecclesiastical.

From 1919 up till now the Executive Council continues to be the chief governing body of the State. Though, of recent years, His Exalted Highness has given the Council wider powers, powers of initiative, with a well defined liberty of action, yet by no one is this constitution more jealously guarded than by His Exalted Highness himself.

During the last quarter century of His Exalted Highness' reign, Hyderabad has achieved an all-round progress and prosperity. A comparison of certain figures of expenditure at the date of his accession with those of the last budget will give an idea of the progress made. The sum annually spent on public education was then only 16 lakhs, and it is now 90 lakhs per annum; on medicine and sanitation 8 lakhs, it is now 26½ lakhs; on agriculture ½ lakh, it is now 9 lakhs; on Co-operative Credit Societies ½ lakh, it is now 4½ lakhs; on irrigation 23¼ lakhs, and it is now 59¾ lakhs, exclusive of nearly five

crores of rupees sunk in major projects, the biggest being the Nizam Sagar, with 442 miles of canals commanding an irrigable area of $2\frac{3}{4}$ million acres of land.

In matters of administration a definite advance, in keeping with the progressive growth of political thought and conceptions, has been made. In so doing, the structure has been built solidly, if not spectacularly, upon the bed-rock of living tradition and in harmony with the broad level of popular sentiment and conviction. As a result each new development was given a thorough trial ere the next advance was made, and the body politic spared the pain of rushing through too many innovations and hurried reforms without understanding.

The budget of the State, which is by itself a great credit to the administration of Hyderabad today, has long been kept entirely free from the demands of the ruler for his personal use; there is a Legislative Council with elected non-official representation in it; a Judiciary independent of the Executive; a fixed Civil List; and a trained Civil Service with security of tenure.

Hyderabad under the present ruler has been making a distinct contribution to the cultural development of India by its monumental work of conservation and preservation of ancient artistic and architectural remains, by its

munificent support to the publication of many outstanding works of lasting merit on artistic and literary subjects, by liberal grants to several seats of Indian culture and learning, and by the foundation of a Vernacular University, all of them supported and encouraged by the Nizam himself.

VIII

UNDER THE PRESENT RULER

(*Continued*)

FINANCE

SINCE sound finance is the pivot of all national stability and progress, Hyderabad has husbanded its finances with such care and continuity of policy during the last thirty years, under the three successive Finance Ministers, Sir George Casson Walker, Sir Reginald Glancy, and Sir Akbar Hydari, who is still in charge of the Finance portfolio, as to have been able to attain the present notable advance in many directions.

The period prior to the appointment of Sir Salar Jung as Minister in 1853 has been described as the darkest days of Hyderabad Finance. Up to that year the finances of the State were in a deplorable condition. There was no Public Treasury, nor any regular record of accounts. The revenue of the State was small and the expenditure high. The deficit in some years amounted to about 30 lakhs—equal

to nearly one-fifth of the entire annual gross revenue of the country.

The chief source of income then, as now, was land revenue, which under all its heads yielded about a crore of rupees, exclusive of the cost of collection, which amounted on an average to about 10 per cent of the net proceeds. On the expenditure side the Military Department was the most costly, absorbing almost the whole of the income from the land revenue. Thus the merest dole was meted out for the support of all those public departments on which the prosperity and happiness of the people depend. Public instruction received only a few hundred rupees a year. About an equal sum was expended on sanitation and dispensaries generally. The expenditure in connection with the postal service did not exceed a few thousands. For all classes of public works only about twenty thousand rupees were set aside yearly, even such absolute essentials as repairs of tanks and roads not being exempt from the general neglect. For the administration of Justice in the Dominions less than Rs. 50,000 were provided, while jails cost only about half that sum.¹

It was at such a time that Sir Salar Jung assumed the office of Prime Minister. One of the first acts of his administration was to appoint two competent men for the preparation

¹ *Hyderabad Administration Report, 1331 F.*, companion volume.

of accounts under his own personal supervision. Perceiving that no improvement was possible so long as the expenditure exceeded the income, he directed his first efforts towards securing financial equilibrium. In this he succeeded after much anxious labour and the credit of the State in the local money market was substantially improved; fresh loans at moderate rates of interest were then negotiated, and older debts, bearing heavy interest, were paid off. The annual interest charged against the State was thus largely reduced. The savings that resulted from the various measures adopted were, in their turn, applied to the redemption of some of the districts which had been mortgaged to creditors, and resumptions were made of lands which had been appropriated by private individuals without valid title. These measures in a few years resulted in an increase in the annual revenue of not less than fifty lakhs of rupees.

So rapid was the progress towards the stabilisation of the State finances that, Mr. Saunders, the Resident, in his Administration Report for 1869-70, wrote: "Not only was the Public Treasury full, but the annual income of the State exceeded the annual expenditure by about eight lakhs of rupees, while the credit of the State stood proportionately high."

Side by side with the reforms in the general and financial administration, a gradual

improvement was effected in the system of records and audit of accounts. A uniform system of accounts, based on local requirements, was formulated, and eventually the Budget system, with classification of heads and sub-heads, was adopted. To improve the system further, four officers were selected and sent to Berar and to the Bombay Presidency for training in Accounts, and on their return were appointed as Assistants to the Accountant-General.

During the first six months of his tenure of office only about eight lakhs of rupees were received into the Public Treasury at Hyderabad, and at the end of that period the balance in hand was Rs. 13,000. During 1883, the closing year of the great Minister's life, the total receipts amounted to Rs. 3,58,21,000 and the balance in hand was Rs. 73,94,151. Thus Sir Salar Jung, by his various reforms in the financial system of the State, left the finances in a flourishing condition at the time of his death.

The financial condition of the State continued to be satisfactory till the great famine of 1898, when there was a deficit of Rs. 144·47 lakhs and Rs. 340 lakhs had to be borrowed from the Government of India for famine relief measures. In 1900 there was a further deficit of Rs. 75·94 lakhs. During the decade 1901 to 1911 the

situation improved by the late Nizam, Nawab Mir Mahboob Ali Khan Bahadur, having brought about drastic changes in the financial administration on the advice of his Finance Minister, the late Sir George Casson Walker; and the income paid into the Government Treasury in excess of the whole year's expenditure averaged about 25 lakhs. This improved position enabled the Government to pay off no less than 225 lakhs towards the liquidation of the famine loan. During the first decade of the present Ruler's reign the finances of the State improved still further. From 1911 to 1921 the income averaged Rs. 594 lakhs and the expenditure Rs. 554 lakhs. In the prefatory note to his Budget for 1913-1914, the then Finance Minister, Sir Reginald Glancy, said: "The annual surplus now averages almost half a crore (of rupees), though many capital works are being financed from revenue. There is every reason to anticipate a steady increase in revenue as the country is developed by roads, railways and irrigation. Of course famine may at any time cause a set back to the prosperity of the State, but people and Government are now better prepared to face such a calamity than they were fifteen years ago when the last serious famine occurred."

In the year 1921 Sir Akbar Hydari took charge of the Finance portfolio, and since then

he has laboured to maintain uniformly the credit of the State, even in times of severe economic depression. It is remarkable that Hyderabad, without increasing the existing taxation, or imposition of any additional taxation direct or indirect or, again, without resorting to the much abused axe of retrenchment, and in spite of heavy remissions of land revenue amounting to nearly Rs. 70 lakhs, has been able to produce annual surpluses over the expenditure. During the last decade the current revenue steadily increased from about Rs. 750 lakhs per annum to over Rs. 850 lakhs, actually reaching the high figure of 887 lakhs in the year 1928-29.

The preliminary reforms introduced by Sir Akbar Hydari in the system of financial administration, such as the revision of classification of heads of accounts so as to show each class of receipts and expenditure in its correct proportions, distinguishing extraordinary items from ordinary, and capital from service items; the ear-marking of investments under separate Reserves, according to the sources from and the objects for which they have been constituted; and the introduction of the system of departmentalisation, by fixing the grant for each department for a triennial period in the interests of efficiency and economy, have been responsible for substantial surpluses in each of the last ten years. During the five

years from 1925-26 to 1929-30 these surpluses averaged 120 lakhs per annum. In the year 1930-31 a surplus of $11\frac{1}{2}$ lakhs was secured; 1931-32 yielded a surplus of over $30\frac{1}{2}$ lakhs, in spite of the financial stringency being at its height during these two years; and in the last year a surplus of 22 lakhs was anticipated.

These surpluses have been due to a careful regulation of public expenditure and the avoidance of any large addition to permanent recurring liabilities; and they have enabled the State to have large Reserves and Capital account, and to utilize them in productive schemes of public benefit. The capital outlay on the extension of railway lines and the construction of large irrigation projects alone during the last twelve years approximates 11 crores of rupees.

The unfunded debt of the State is only $3\frac{1}{3}$ crores against which valuable assets exist in the railway lines and irrigation projects, and the investments in the different reserves exceeding 9 crores. "The only amount of debt outstanding", says the Finance Member, Sir Akbar Hydari, in his last Budget Note, "which is uncovered by the amount at present at the credit of the Debt Redemption Reserve is about $3\frac{1}{3}$ crores payable between 1351-61 Fasli, whilst on the other hand not to mention railway but only one of the many irrigation projects

constructed in the last decade the State has in Nizam Sagar alone, a capital asset which has cost over $4\frac{1}{3}$ crores."

The course of commercial and industrial progress never runs smooth; but in spite of periods of mishap and depression there are abundant signs to show that Hyderabad is advancing steadily, and it will not be an exaggeration to say that the State has now entered on an era of material prosperity the like of which she has never known in the past.

IX

UNDER THE PRESENT RULER

(*Continued*)

LEGISLATION AND JUSTICE

Law

THE necessity for legislative enactments had for a long time been felt by the Nizam's Government even before the time of Sir Salar Jung. The enactment of the Penal and Procedure Codes in British India set the example to Hyderabad. In 1870 a Committee of Muslim lawyers was appointed to frame laws. Its work was, however, left unfinished for a time, but in 1875 several regulations and rules were framed, which, with the traditional laws already in operation, formed the groundwork of judicial administration. In order to have proper codes the services of lawyers with English qualifications were requisitioned, and Justices Trevor and Mahmud were appointed for the purpose. Their efforts, however, proved barren, chiefly on account of their want of acquaintance with

the local conditions and requirements. With the accession of Nawab Mir Mahboob Ali Khan Bahadur, legislative work was seriously taken in hand by the Council of State for whose consideration drafts of bills were prepared by a committee of judges. This committee prepared a law of civil procedure, which was urgently required. This was tentatively given effect to at once, pending the enactment of a more complete code. The chief measure of the Council of State was a Limitation Act, known after His Highness' name as "Qanoon-i-Mahbubia", which, however, did not come into force for some time. A special regulation for the surveillance and deportation of dangerous characters was also enacted, and this measure went a long way in purging the country of much evil. Municipal and taxation Acts were also, among other measures, passed at the time.

As the Council of State ceased to function, a Law Commission was appointed in 1890 with a puisne judge of the High Court as President and a member. A full-time Secretary and an establishment were placed at its disposal. The President was required to tour in the State and lay his notes of inspection before the Commission to enable it to prepare and submit drafts of laws required in such form as to admit of their being finally cast into a Code. These drafts were to be accompanied by reports

explaining the existing laws, the defects observed in their working and the proposals for removing those defects. The High Court was also directed to submit for the information of the Commission the drafts of any laws it might have under consideration and to communicate any matter for which, in its opinion, new laws or amendments to existing laws were necessary. Other officers also were requested to communicate to the Judicial Secretary their opinions regarding any changes they considered necessary in the existing. In this manner complete bills of the Penal and the Criminal Procedure Codes, of a Probate Act, and of an amendment to the Limitation Act were prepared. Bills of a Court Fees Act and of a Regulation for Suits to which Government might be a party were also completed. There were some other measures as well which engaged the attention at the time of this Commission.

Before the Law Commission could give a definite final shape to these bills, the late Nizam's personal attention was invited to the desirability of establishing a Legislative Council to carry on the work of legislation in a systematic manner. Under the scheme promulgated in 1893 a Legislative Council was constituted, consisting of the Chief Justice, a puisne judge of the High Court, the Inspector-General of Revenue, the Director of Public Instruction, the Inspector-General of Police, and the

Secretary; and rules were laid down to guide its work. The Legislative Council thus constituted met only three times under the presidency of the late Nawab Fakhr-ul-Mulk Bahadur, the then Judicial Minister.

His Highness soon found the weaknesses of such a constitution and set to reform the system of legislation, for which he expressly declared his great solicitude, with a view to provide good and useful laws for his subjects. The Legislative Council was then re-constituted on an altogether new and reformed basis. It was to consist, in addition to the Prime Minister who was its President, and the Minister of the department to which the measure under consideration might belong as Vice-President, of three ex-officio members, and 12 nominated members, of whom six were to be officials and the rest non-officials. The six non-official members were to be returned in the following manner: Jagirdars and zamindars were, as one class, allowed to elect 2 representatives from among themselves, the High Court Bar was also privileged to elect two of its members, and the Prime Minister nominated two persons from the remaining non-official classes who could not be organised, at the time, into a constituency for the purpose of electing their own representatives.

The Council thus reformed met for the first time on 6th May 1894, under the presidency of

the Prime Minister Sir Vikar-ul-Umra, who opened the proceedings with an address, in which he laid stress on the honour conferred on the members of the Council by their investment with the important work of legislation, and pointed out the necessity of their giving careful and close attention to the proper legislation of laws, while promising his own unreserved assistance in the onerous task on which they were embarking.

In 1900 a Legislative Council Act was passed giving the Council larger and wider powers of legislation.

The Legislative Council as thereafter reformed and ~~continues~~ to function still, after the introduction of the Cabinet system of government under a President instead of Prime Minister as hitherto, consists of a President, a Vice-President and 19 members, two of whom ~~are~~ extraordinary. The President of the Executive Council ~~is~~ the President of the Legislative Council as well, and the Member whose department ~~is~~ concerned with the bill under consideration acts as Vice-President in the absence of the President. Of the members, eleven ~~are~~ official, three being ex-officio, namely, the Chief Justice of the High Court of Judicature, the Judicial Secretary, and the Legal adviser to His Exalted Highness' Government, who also acts as Secretary to the

Council. Of the remaining, six ~~are~~ non-officials, of whom two ~~are~~ returned by the Jagirdars, whose hereditary rights ~~are~~ free from encumbrances and yield a net annual income of Rs. 6,000, elected from among themselves, two from the High Court Bar elected from among the members of the Bar Association, and two nominated by the President—one from each of the Paigahs in turn, and the other from the general public. The two extraordinary members ~~are~~ appointed from among persons who, by their special knowledge, ~~are~~ likely to help the deliberations of the Council. The term of membership ~~is~~ two years, the members being eligible for re-election or re-nomination.

No bill or motion affecting the public revenues, or the religion of any class of His Exalted Highness' subjects, or the organisation of His Exalted Highness' army, or the relations of His Exalted Highness' Government with the British Government, or the Act relating to the Legislative Council, ~~can~~ be introduced without the previous permission of the President of the Executive Council. While undertaking any legislative measure the Council is enjoined to keep in view the principles of Muslim Law, the tenets of Hindu Shastras, the special laws of the communities residing in the Dominions, and the customs and usages having the force of law.

Any contentious measure, before it becomes law, has^{as} ordinarily to pass through the following stages:—

(1) Notice for leave to introduce a bill, followed by its formal introduction and publication for criticism.

(2) Reference of the bill, with any opinions received, to a Select Committee, where the details are scrutinized, suggestions are considered, and the draft is amended.

(3) Consideration in Council of the Select Committee's report, and of any further amendments that may be brought forward.

(4) Motion that the bill, as amended, be passed.

(5) Submission of the bill to the Nizam as passed, followed by its final publication as an Act.

In the case of non-contentious bills some of these steps are omitted. There ~~is~~ often no need for waiting for criticism of such a measure or referring it to a select committee, and it ~~is~~ accepted without amendment.

No act of the Council, nor any power granted to it, ~~can~~ in any way affect the rights and prerogatives of His Exalted Highness the Nizam as the supreme ruler of the State; and no bill or motion even though passed by the Council ~~can~~ have the effect of law unless it has^{be} received the assent of His Exalted Highness the Nizam.

It is a noteworthy fact that as long ago as the 'Nineties of the last century the Hyderabad State created a Legislative Council, with non-official element in it, though with a limited kind of franchise, practicable at the time, and which has the potentiality of development in its composition and scope.

Courts

In the Deccan under the suzerainty of the Mughal emperors there existed a perfect system of judiciary governed by the laws of Islam. The independence and impartiality with which justice was dispensed in those days are evident by the fact that a judge never presented 'nazrana' by way of homage to the king, and if he wanted to do so he would first return his robes to the king and then have the honour of presenting 'nazrana'. On his return home the king sent back to him his robes.

During the troublous period that followed the death of Asaf Jah, the scales of justice were seriously disturbed. But there continued to be a sort of judicial system in the city of Hyderabad and in some of the important district headquarters of the Dominions.

In 1845, during the ministry of Nawab Siraj-ul-Mulk, judges were allowed to investigate suits in which interest above 12 per cent

per annum was claimed, and in the following year imprisonment was substituted for mutilation of criminals, and a decree forbidding Suttee was also promulgated. Munsiffs and Mir-e-Adal were appointed in the districts, and their judgments were first considered final, but, later on they were required to be submitted to the courts in Hyderabad for review. A guide was also at this time compiled for the regulation of civil and criminal procedure of the district courts. But, owing to the frequent changes of ministry that followed the resignation of Siraj-ul-Mulk, these courts had almost ceased to function by the time Sir Salar Jung assumed the ministry.

At this time there were in the city of Hyderabad three courts of justice—the first (*Sadrat-ul-Aliya*) in which civil and criminal cases were heard; the second (the *Kotwali*), or police court; and third (*Dar-ul-Qaza*), the court where religious disputes were settled. There was nothing of the kind of a fixed judiciary or prescribed codes of judicature, and hence everything depended on the personal integrity of the presiding judge. The proceedings in these courts were very brief, and judgments were given orally and no records of the cases were kept. The people were extremely reluctant to have recourse to litigation, for they knew how small their chances were of obtaining justice. Those who were powerful enough

refused to submit to these courts, preferring to dispense justice in their own way. Important cases, again, were settled by direct appeal to the Minister.

In the districts there were no regular courts for the administration of civil and criminal justice, but in large towns like Aurangabad Qazis and Amils heard some of the cases, while in the villages disputes were compounded by *panchayats*, consisting of patels and patwaris, and other men of the status not lower than that of the contending parties.¹

How Sir Salar Jung improved the judicial system of the Dominions has already been referred to in a previous chapter. Referring to the magistracy of his time, an India Office document states: "All these officers are well educated, though all have not done well, several had received their training in one of the British Provinces. Many discharged their duties with more or less efficiency, and many have by their firmness and uprightness brought credit to their department."²

Before the year 1884 there was no regular system of examination or test for people to qualify themselves for the Bar. Nevertheless, those who appeared before the Bench had rare acumen of common sense and their arguments would have ranked today among those of the

¹ *Gazetteer of Aurangabad*, 1884.

² *Moral and Material Progress*, 1869, p. 117.

most eminent lawyers. Even women were not disqualified from holding briefs, and one such woman, who not infrequently appeared and argued before Hyderabad courts was named Ameer Bee.¹ In this year Judicial examinations were introduced, and the first grade pleaders were required to wear yellow gowns.

The late Nizam, among his many reforms, also brought about several changes in the judicial administration of the State. The High Court at the time consisted of a Chief Justice and four puisne judges. He ordered that a Shastri should be appointed, on a monthly salary of Rs. 1,000, to advise the High Court in matters concerning Hindu Law; and that one of the judges of the High Court should annually make a tour of inspection in the districts and submit his report to the High Court.

With the accession of the present ruler many changes of wide importance have been effected in the State judicial system. The High Court has been granted a Charter defining its power and its position in the Government machinery, and subsequently a High Court Act passed by the State Legislature conferred further powers on the High Court. The standard of qualification of eligibility for judicial service has been considerably raised. Reforms based on the report of the Civil Justice Committee, which was appointed by Lord

¹ *Hakim-ul-Tawarikh*, Mohd. Fathulla, p. 53.

Reading to go into the question of duration of civil and criminal cases, have been introduced into the State judiciary. One of the law examinations in the State—the cheapest and the lowest in standard—called the Judicial Examination, which qualified its successful candidate both for the Bar and the Bench and which was responsible for many incompetent persons entering the judicial service, has been abolished. The system of inspecting courts has also been altered.

“But all these reforms”, says Nawab Mirza Yar Jung Bahadur (Mr. Sami-Ullah Baig), the Chief Justice of the High Court of Judicature, during whose regime the State judiciary has been asserting, more and more, its proper independent status in the administration of the country, “sink into insignificance before the reform of the separation of Judicial from the Executive, a reform for which 32 crores of subjects of British India have been craving for more than a quarter of a century. The main credit of the scheme is due to the benevolent Farman¹ of our great Sovereign which was

¹ Translated, the Farman reads thus:—

“For some time past, I have been thinking whether in the administration of this State, the Judicial be separated from the Executive. After full consideration, I have decided to introduce this Reform into the State, for I believe that it will not only improve the general administration but will be conducive to the contentment and happiness of my beloved subjects. I wish that in separating the above duties, the scheme should be so framed as to relieve the Executive officers of all those duties which are purely Judicial in their character excepting those which pertain to Revenue Law or the trusting of which is necessary for the preservation of peace and order under Penal Preventive Measures.”

issued on the 29th Shaban 1339 H. and which will serve as a landmark in the judicial administration of this State. The fight for the separation was originally started by Nawab Hydar Nawaz Jung (then Mr. A. Hydari, the Judicial Secretary) and by Nawab Nizamat Jung Bahadur, the then Chief Justice; and when in my first Judicial Report for 1327 F., I laid so much stress on the question of separation, I simply took up the cudgels laid down by my predecessor in office on account of his transfer. To give effect to the intentions of His Exalted Highness, the scheme was framed and put into effect since 1st Khurdad 1331 F. Formerly, besides the District Civil Judges and Munsiffs, most of the revenue Officers were invested with Judicial powers; under the Separation Scheme these powers were taken away from 15 first Talukdars, 42 Assistant Talukdars and 92 Tahsildars, and in their place 8 new additional District Judges for Marathwara and Karnatic districts and 52 new Munsiffs for the taluks, where there were no Munsiffs and where the Tahsildars were exercising judicial powers, were appointed; and now in each tahsil there is a Munsiff invested with civil and criminal powers. The net result is that under the old system there were 264 Courts, including Revenue Officers exercising judicial powers, but under the new system we have got only 172 Courts, a decrease

of 92 Courts. As the Separation Scheme was not enforced in the Sarf-i-Khas ilaka, the Revenue Officers of this Ilaka still exercise judicial powers there. Now the Judicial Department is a self-contained one which can be well managed. At the time of the introduction of this scheme fears were entertained and apprehensions were felt as to its feasibility and success; it was said that the scheme could not work smoothly. A few scattered cases from the whole Dominions were picked up as giving signal for a more serious outburst of a coming storm. An alarm was actually raised. The Government practically appointed a small Commission to go into the question. But the moment these few cases were carefully examined, the alarm was found to be a false one. The storm turned out to be a passing breeze due to local conditions and tempers of individuals which had nothing to do with the scheme itself. Soon after the introduction of the scheme, some of the High Court Judges and myself made extensive tours in the Dominions and tried to explain the new position to our subordinates exhorting them to rise to the occasion. Thanks to the co-operation of the high officials of the Revenue Department and to the good sense displayed by our Judiciary as a whole, I can this day say with confidence that the scheme has succeeded beyond my expectations. But it came out successfully in

the very year of its birth and now it has already worked for an appreciable period. The most critical stage of trial has passed away. Every day the prospects of success are brighter and clearer. In the course of my tours I probed the public mind as well. I believe that I echo the sentiment of the public at large when I say that they are happier under the new scheme and that the Government has secured more confidence in the public mind—an asset the value of which can never be too much exaggerated.”¹ It is but fair to add that these judicial reforms have been so successful because they were initiated and put into force under the sagacious policy and guidance in this behalf of the first President of the reformed Executive Council, the late Sir Ali Imam.

The State has instituted the Jury system recently, and the judiciary has been consistently following a progressive march on lines much the same as in British India. It has maintained a high standard of efficiency and a great amount of independence, and these have contributed to its winning the confidence of the public. This fact is a great asset to any government, for confidence in a tribunal is half the object of justice gained. Eminent lawyers from British India, like the Rt. Honourable Sir Tej Bahadur Sapru,

¹ *Judicial Report*, 1331 F.

Sir N. Sircar, Sir C. P. Ramaswamy Iyer, Sir Alladi Krishnaswamy and others have come and argued before the Hyderabad Bench, and they have all paid high tributes to the qualities of head and heart of the judges sitting on it, and also to the members of the local Bar, who are no less astute in their knowledge of law than their brethren in British Indian provincial cities.

X

UNDER THE PRESENT RULER

(*Continued*)

LOCAL AND MUNICIPAL GOVERNMENT

THE system of administration known today as 'Local Self-Government' has had its parallel in the ancient Hindu and the medieval Mughal systems of village administrations. In the Mughal empire each town had its own officer, styled the *Kotwal*, who exercised the functions, now classed as municipal. Abu' Fazl gives detailed instructions for the guidance of these officers in his *Ain-i-Akbari*. He writes:—

“The appropriate person for this office should be vigorous, experienced, active, deliberate, patient, astute, and humane. Through his watchfulness and night-patrolling the citizens should enjoy the repose of security, and the evil-disposed lie in the slough of non-existence. He should keep a register of houses and frequented roads, and engage the citizens in a pledge of reciprocal assistance, and bind them to a common participation of weal and woe. He should form a quarter by the union of a certain number of habitations, and name one of his intelligent subordinates for its superintendence, and receive a daily

report under his seal of those who enter or leave it and of whatever events therein occur. And he should appoint as a spy one among the obscure residents with whom the other should have no acquaintance, and keeping their reports in writing employ a heedful scrutiny. He should establish a separate *sarai* and cause unknown arrivals to alight therein, and by the aid of divers detectives take account of them. He should minutely observe the income and expenditure of the various classes of men, and by a refined address make his vigilance reflect honour on his administration. Of every guild of artificers he should name one as guildmaster, and another as broker, by whose intelligence the business of purchase and sale should be conducted. From these also he should require frequent reports. He should see to the open thoroughfares of the streets, and erect barriers at the entrances and secure freedom from defilement. When night is a little advanced, he should prohibit people from entering or leaving the city. He should set the idle to some handicraft. He should remove former grievances and forbid any one from forcibly entering the house of another. He shall discover thieves and the goods they have stolen or be responsible for the loss. He should so direct that no one shall demand a tax or cess save on arms, elephants, horses, cattle, camels, sheep, goats, and merchandise. In every *subah* a slight impost shall be levied at an appointed place. Old coins should be given in to be melted down or consigned to the treasury as bullion. He should suffer no alteration of value in the gold and silver coin of the realm, and its diminution by wear in circulation he shall recover to the amount of the deficiency. He should use his discretion in the reduction of prices and not allow purchases to be made outside the city. The rich shall

not take beyond what is necessary for their consumption. He shall examine the weights and make the *ser* not more or less than thirty *dams*. In the *gaz* (measure) hereinafter to be mentioned, he should permit neither decrease nor increase, and restrain the people from the making, the dispensing, the buying or selling of wine, but refrain from invading the privacy of domestic life. Of the property of a deceased or missing person who may have no heir, he shall take an inventory and keep it in his care. He should reserve separate ferries and wells for men and women. He should appoint persons of respectable character to supply the public water-courses, and prohibit women from riding on horseback. He should direct that no ox or buffalo, or horse, or camel be slaughtered, and forbid the restriction of personal liberty and the selling of slaves. He should not suffer a criminal deserving of death to be impaled, nor any one to be circumcised under the age of twelve. Above this limit of age, the permission may be accorded. Religious enthusiasts, calendars, and dishonest tradesmen he should expel or deter from their course of conduct; but he should be careful in this matter not to molest a God-fearing recluse, or persecute bare-footed wandering anchorites. He should allot separate quarters to butchers, hunters of animals, washers of the dead, and sweepers, and restrain men from associating with such stony-hearted, gloomy-dispositioned creatures.”¹

For a long time after the declaration of independence by Asaf Jah the Mughal system as described above, more or less, continued to prevail in the administration of the country.

¹ *Ain-e-Akbari*, Jarrett's translation, vol. ii, pp. 41-3.

But the system of municipal administration, on the lines of British India, was first introduced in the Dominions in the year 1869, when the city of Hyderabad was divided into four, and the suburbs into five divisions for municipal administration, the whole management being placed under a Municipal Superintendent. In 1881 the suburban area was separated and formed into the Chadarghat Municipality and placed under a separate officer designated Municipal Secretary, and likewise the City area was placed under another Secretary. In 1903, however, the two municipalities were amalgamated and placed under one Secretary. The Municipal Committee consisted of a President, a Vice-President and 24 members, of whom 12 were non-officials, 8 officials and 4 ex-officio members. In 1905 the number of the non-official members was increased to 13, while that of the officials was reduced to 5 and ex-officio members to 3.

A new Municipal Act was passed last year by the State Legislative Council by which the powers of the Municipality have been considerably enhanced. Its constitution is now based on the advanced Bombay Municipal Act, which is closely followed. But the important feature about the Hyderabad Act is that the schedule of taxation and fines is much lower than those found in British Indian Municipal Acts.

The newly constituted Municipality, in which vests absolutely the municipal government of the city of Hyderabad, consists of a President and 36 Councillors, including the Vice-President who is elected by the members from among themselves. Of the Councillors, 13, including 1 Parsee, 1 Christian, and 1 representative of the Harijans are nominated by Government in consultation with their representative organisations; the remaining ten being returned in the following manner:—1 by the Sarf-i-Khas, 3 by the Paigahs, 1 by the Salar Jung's Estate, 1 by the Mahraja Kishen Pershad's Estate, 2 by the Jagirdars, 1 by the Graduates, and 1 by the mercantile class. The other 13 are elected from the 13 wards into which the City area has been divided for the purpose of elections. The term of office is 3 years, the Councillors being eligible for re-election.

The first elections under the new constitution were held in December 1934. They were so very lively that a great awakening in the civic life of Hyderabad was noticed on the occasion.

There is a sort of municipal government in almost all the towns in the Dominions, and the State is contemplating to introduce formally the Municipal Act in all such places.

Local Funds

About 20 years after the earliest legislation for raising rates to be devoted to local objects

was made by the Government of India in imitation of the system of local cesses inherited from the administration of the Mirs of Sind, Hyderabad decided to levy a similar cess. It was to be at the rate of one anna per rupee of land revenue. Rules for the control and expenditure of these funds were passed and brought into force in 1887.

The local cess provides funds for the construction and maintenance of roads, schools, dispensaries, rest houses and other works calculated to benefit the inhabitants of the districts. Prior to 1928 the one anna cess was allocated as follows:—Village police 4 pies, Education 2, Roads 2, Medical 1, and General improvement 3. In 1928, as a result of the Government deciding to pay the village police from general revenues, the police cess was made over to local funds. The allocation of the funds at present is as follows:—General welfare (Rifa-i-Am) 5 pies, Roads 2, Education 3, and Medical 2.

The local fund rules provide for the establishment of (1) A District Board at the head-quarters of each district, and (2) A Taluk Board at the head-quarters of each tahsil, controlled by the Revenue Secretariat in the city of Hyderabad. A Central Board was in existence from 1889 to 1893 when it was abolished and its work transferred to the

Revenue Secretariat. The District Board consists of a President and 13 members, of whom 6 are officials and 7 non-officials. The non-official members are representatives of Zamindars, pleaders, and the mercantile class. The term of office of the members is 3 years. Under the District Boards are the Taluk Boards. The Taluk Board consists of 8 members, of whom 4 are officials and 4 non-officials. There are in the Dominions in all 15 District Boards and 103 Taluk Boards.

In order to assist the smaller head-quarter towns, where much of the expenditure is due to their being the capital towns of the districts, Government gives permanent grants to them. Government is also contributing largely to the cost of constructing town water-works. The aggregate expenditure since the scheme of the improvement of water supply was taken in hand has amounted to Rs. 13·78 lakhs.

The main sources of income in the towns are *gharpatti* (House tax), *roshnipatti* (Light tax), and *barbardaripatti* (Toll tax), and one of the minor sources is *sawaripatti* (Vehicle tax).

The District Boards receive a contribution of 7 pies from the one anna cess, and they are generally in a prosperous condition, having large balances to their credit. This may be due to their lack of initiative in undertaking programmes of rural uplift work.

It is interesting to note that the average incidence of taxation per head of population in Hyderabad is about 12 annas only; whereas, during the year 1929-30, the average incidence of taxation, excluding tolls, in the municipal towns of the Madras presidency was about Rs. 3. The pitch of town taxation in the Dominions of the Nizam is extremely low, and consequently the people are happier and contented.

XI

CONCLUSION

WHEN we look back upon the history of the administration of the Dominions of Hyderabad from the time Nizam-ul-Mulk Asaf Jah felt called upon to establish an independent government in the Deccan right up to the present day, and follow its travails and vicissitudes and its achievements during a period of nearly two centuries and over—how the paternal rule of Asaf Jah restored peace in the country, how after his death there followed a period of a struggle between the French and the English for an upper hand in the control of the State policy culminating in a solid alliance with the English East India Company by Nizam Ali Khan, how in the time of his successor, Sikandar Jah, the British influence became so strong that the Prime Minister Raja Chandulal turned, so to say, a catspaw in the hands of the governor-generals of the Company and kept the administration in a hectic condition with obviously little regard for the welfare, either of his masters or of the people, how the Russell

Brigade was the outcome of his weaknesses which later on was baptised as the Hyderabad Contingent, how the bugbear of the continuance of its existence depleted the exchequer and portions of the State had to be farmed out to usurious local money-lenders or to similar foreign agencies, preventing the Nizam from undertaking any works of public utility, how a noble-minded representative of the Governor-General, the Resident Sir Charles Metcalfe, tried to introduce reforms calculated to set the administrative machinery in order, how after his retirement Raja Chandulal's maladministration returned again to intensify the financial agony of the ruler, how even the patrons of Raja Chandulal, the Government of East India Company, evidently got tired of him and he had to resign, how after a brief period of a disorganised state of affairs things began to improve in the time of the Minister Siraj-ul-Mulk, how after him, Sir Salar Jung infused a new life into the administration, and heroically fought every disruptive force, and gave to the country peace, order, and a solvent treasury, the benefits of which have been reaped in an ever increasing measure by his successors in office, how the late Nizam, Mir Mahboob Ali Khan, of honoured memory gave to his people a regular constitution, his "Qanuncha-i-Mubarak" with a Cabinet Council and a Legislative Council, how finally during

the blessed reign of the present Ruler phenomenal progress has been achieved in every department of administration as we have described in the foregoing pages—when we reflect upon all this, we feel that a Benevolent destiny has prevailed upon all the adversity of the members of the line of Asaf Jah, and rewarded them for their goodness, their character, and their paternal love for a united common weal of their people with an ever increasing assured position as the benefactors of the Deccan which they have so zealously made their home.

We cannot predict what further good is to be wrought here through the benevolence of this dynasty. Things that have been done till now point to a great future. There never has been a tendency to lag behind in the race of national life. Larger visions are swimming into the minds of His Exalted Highness' beloved subjects. May they be regulated, blessed and sanctified with His Exalted Highness' love and his usual sanity of judgment!

APPENDIX A

NOTIFICATION CONCERNING THE PROPOSED RE-ORGANISATION AND ADMINISTRATIVE CHANGES IN HIS HIGHNESS' GOVERNMENT.

A natural anxiety to secure the best interests of the country has invariably led Government to adopt measures calculated to enhance the prosperity and well-being of the ryots, and the population generally, to improve the quality and quantity of local manufactures, and to give a healthy impetus to trade. The various reforms which have been introduced into the working of the different departments, from time to time, have all tended towards the attainment of these objects. A comparison of the past administration of the State with its present condition will at once exhibit the *great* advances that have been made in this direction and the systematic methods (though still admitting of reforms) which have been introduced of transacting public business. In 1281 A. H. a Board of Revenue *Majlis-i-Malguzari* was established to look into the administration of revenue and to systematize the working of the Stamp, Abkari, Customs and Police Departments. It was found that great confusion was caused by the want of a systematic division of the territories into talukas, districts and divisions. The subject was at once taken into hand, and the result was the introduction

of the *Zilabandi* system i.e., the division of land into talukas, districts, and divisions, with well-defined boundaries. This work was finished about 1282 Hijri, and districts bearing a close resemblance to each other in points of usage, customs, language, &c., were classed as a division. In the abolition of the Revenue Board in 1284 A. H. the opportunity was taken to select from its members officers for the post of Sadar talukdar, one being placed in charge of each division. Similarly, in the Judicial and Criminal Departments, reforms and improvements have from time to time been introduced. Formerly judicial officers were styled *Mir-Adls* and decided judicial and criminal cases. At the head of them was an office called *Tashih-i-Talukat*, whose confirmation in important cases was necessary to give effect to the decision of *Mir-Adls* and *Munsifs*. But when in 1278 A. H. certain districts were restored to the Nizam's Government, a separate Judicial Department called *Sadar Adalat-i-Azla-i-Mustarida* was created. Subsequently, in 1280 A. H., the two departments were amalgamated under the designation of *Sadar Adalat-i-Azla-i-Mustaridawa Tashih-i-Talukat*. Its office was to hear appeals from the decisions of taluka and District Judicial Officers, and hence, in 1281 A. H., its name was changed to be *Majlis Murafa-i-Sani*, and subsequently, in 1282, to *Sadar Murafa-wa-Ehtamam-i-Adalath-i-Talukat*. After the introduction of the *Zilabandi* system, and the appointment of tahsildars, talukdars, and Sadar talukdars, the judicial and criminal work were also made over to them and the name of the head office changed to *Murafa-i-Azla*. A Judicial Board was also established to hear appeals from the decisions of any Court and the *Murafa-i-Azla* was absorbed into it. Great improvements have also been made in the administration of the Police Department. A regular Police force did not exist, its duties were entrusted to

village *Chaukidars*, *Javans* of *Sibandi* and *Nizamāt*. But when, in 1282 A. H., the *Zilabandi* system was introduced, a Police force, with necessary number of constables at all *Chaukies* and *Thanas*, tahsils and departments, were organized by the Revenue Board then sitting. Up to the end of the year 1283 A. H., the Department, as it then existed, was administered by the Board. In 1284 A.H., however, a *Sadar Muhtamim* was placed at the head of the Department responsible only to the Minister. The Public Works, Municipal, Educational and Medical Departments were formerly also placed in charge of the Revenue Board. In 1284 A. H., the Public Works Department was formed into a separate charge and entrusted to an officer called *Sadar Muhtamim* or Superintending Engineer. The Municipal, Educational and Medical Departments, however, continued under the administration of the Revenue Board. The reorganisation and the formation of a new department requiring a strict supervision overburdened the Minister's office and necessitated the appointment of a few select nobles of the State possessing abilities to discharge the heavy duties entrusted to them, and the confidence of the people to carry on the higher administrative functions of the various departments. In 1286 A. H., this proposal was carried into effect and four *Sadar-ul-Mihams* with Secretaries and Assistant Secretaries, and a complement of ministerial officers, were appointed to look after the Judicial, the Revenue, the Police and the Miscellaneous Departments, the last comprising the Public Works, Municipal, Educational and Medical Departments. Government has always been anxious to scrupulously maintain all Inam lands, and other gifts, held by virtue of lawful gift-deeds and *Sunuds*. It came, however, to the notice of Government that many people were in unlawful possession of Government land, and could

produce no title-deeds in proof of the legitimate grant of their so-called Inams to them, and that this had entailed heavy pecuniary loss on Government. It was, therefore, resolved to organize a separate department under the designation of *Mahakma-i-Daryuft-i-Inam* whose duty it would be to ascertain if the occupiers of Inam lands had come to be possessed of them by fair and legitimate means, and on being satisfied that such was the case, to allow them to retain possession of them. In the event of there being reason to believe that any Inam holder had become possessed of his Inam by fraudulent and unfair means, they were to oust him after careful and searching enquiry. This rule was, however, not to be strictly enforced in the case of parties that had been in possession of their lands for a considerable length of time. The Department was organized in the year 1292 Hijri, and as there was much pressure of work, and cases of long standing were in arrears, two additional members were appointed to conduct the work of the Department about the end of the last year. The soundness of this measure has lately been amply proved by the fact that a large number of cases of long standing have been disposed of since the appointment of these new members. With the view of reforming the revenue administration of the country another department had to be created. On the abolition of the system of farming the revenue to private individuals, the administration of land Revenue had been organised by the Raiatwari system. Payment of the Government demand in cash instead of in kind had been introduced, and the division of land into different classes for purpose of assessment roughly effected. The accurate area of the different holdings and the real productive capacity of land being, however, unknown, it was impossible to fix a moderate and equitable assessment. On the one side the ryots

complained from year to year of high and inequitable assessment, while on the other side the Revenue Collectors complained of misappropriation on the part of the Patels and Patwaris. It was, therefore, the unanimous opinion of the Revenue Officers that, to remove the aforesaid defects in the administration, a Revenue Survey and Settlement Department should be organized. In the year 1294 A. H., (1877 A. D.) this Department was accordingly created. The result of this measure is that complaints of unequal assessment have ceased and that the revenue is collected with greater ease and at less cost to the State.

In the Telingana districts, where tanks are very numerous, there were many petty irrigation works, which it was not possible for the Public Works Department to supervise. A separate arrangement was therefore made in this part of the country, by which certain amount was annually placed at the disposal of the divisional and district authorities for the maintenance and repair of the smaller works. These administrative reforms have entailed much additional work upon all offices and have greatly increased the number of references to the *Sadar-ul-Miham* and the Minister. In this way the experience of the last few years has shown that much of the time of the chief officers of the administration has been sacrificed to matters of minor importance which ought to have been devoted to other and higher duties. It is not matter for surprise that there was in consequence an increase in the quantity of work to be performed by the different departments. Subordinate departments and offices being then in their infancy, had not been in the beginning granted adequate powers, and subordinate officers had therefore to obtain the sanction of the *Sadar-ul-Miham* even in petty matters. The consequence was that a considerable portion of the *Sadar-ul-Miham's* time was wasted

on correspondence of a trifling nature, which necessarily entailed unnecessary delay in the working of the different departments, and did not allow the *Sadar-ul-Miham* and *Madar-ul-Miham* sufficient time for the consideration of important measures of reform. The *Sadar-ul-Miham's* offices being separate and distinct from that of the *Madar-ul-Miham*, unnecessary correspondence occasionally took place on trifling matters, and occupied considerable time. In order to remove these defects, it is considered desirable to revise and enhance the powers hitherto enjoyed by the subordinate offices and to transfer the powers heretofore exercised by the *Sadar-ul-Miham*s to a Board of Revenue, a high court and committees, and to delegate to them certain powers of administration, appointment and promotion. It is also desirable that the offices of the *Sadar-ul-Miham*s be amalgamated with those of the *Madar-ul-Miham* and that the *Sadar-ul-Miham*s be in future styled *Mo-in-ul-Miham*s, or assistant Ministers, to render assistance to the Prime Minister in the discharge of his heavy administrative duties. The extent to which the *Mo-in-ul-Miham*s are to exercise control in the different departments in their charge is to be determined by the Minister in consultation with them. Part of the work of the *Madar-ul-Miham's* office is to be disposed of by *Mo-in-ul-Miham*s at their own discretion and on their own responsibility, while the remainder is to be submitted to the *Madar-ul-Miham* with any remarks or recommendations that the *Mo-in-ul-Miham*s may have to make or offer, and this arrangement will, it is expected, allow sufficient time for the consideration of administrative changes and reforms. It is, therefore, notified for public information that the following changes have been made in the existing system of administration:—

1st—That the offices of the *Sadar-ul-Miham*s are amalgamated with those of *Madar-ul-Miham*s and the

posts of Secretaries and Assistant Secretaries and other establishments connected with them are hereby abolished. The *Sadar-ul-Mihams* shall in future, by virtue of their offices, be styled *Mo-in-ul-Mihams* and shall have the following departments in their charge:—

I. Departments in charge of the Judicial *Mo-in-ul-Miham*—1. Civil Courts. 2. Criminal Courts. 3. Jails.

II. Departments in charge of the Revenue and Financial *Mo-in-ul-Miham*—1. Land Revenue. 2. Abkari. 3. Customs. 4. Survey and Settlement. 5. Forests. 6. Inam. 7. *Watan-dari* Successions. 8. Stamp Department. 9. Petty works and repairs in connection with Irrigation. 10. Accounts Department. 11. Treasury. 12. Preparation of the Financial Statement. 13. The Mint. 14. Postal Department. 15. Compilation of the General Administration Report.

III. Departments in charge of the Police *Mo-in-ul-Miham*—1. Police. 2. Village Police.

IV. Departments in charge of the Miscellaneous *Mo-in-ul-Miham*—1. Medical Department. 2. Educational. 3. Municipalities. 4. Public Works. 5. Engineering College. 6. Geology. 7. Coal Fields. 8. Workshops and Stores. 9. Gazetteer. 10. Translation Department. 11. Government Printing Press.

2nd. A Legal Secretary and adviser to the Minister has been appointed to revise and reform laws, rules and regulations for the guidance of the officers of the Judicial, Police and Jail Departments and to pronounce on general legal questions.

3rd. The preparation of statements showing the condition of the country, the supervision of the working of Mint, Post office, Stamps, Account and General Office, Treasury, Revenue Survey and Settlement, and the preparation of the Budget and the General

administration Report, will be carried on by the Minister's Revenue Office.

4th. To look after the revenue affairs, a Revenue Board has been appointed with powers superior to all the other revenue officers. The general administration of revenue, the supervision of the working of all revenue offices and the appointments, transfers and selection of officers of a certain class have been entrusted to it. The Board will have no power to interfere with the office of the Commissioner of Revenue Survey and Settlements and the Stamp Office. Both of these will be under the direct supervision of the Minister's Revenue Office.

5th. To put a stop to the interference of the offices of the *Sadar-ul-Mihams* and *Madar-ul-Mihams* in the working of the Judicial Department, it has been proposed to appoint a Supreme Council to hear appeals from the decisions of the High Court. The Supreme Council will be composed of the Minister or his Assistant as President or Vice-President, as the occasion may require, a few educated nobles of the State and officers of high standing as members. The Legal Secretary will be the permanent Vice-President of the Committee, and will, as in the first instance, receive the appeals and issue final orders with the sanction of the Committee.

6th. The powers of the *Majlis-i-Aliya* (High Court) have been recast and greater latitude has been allowed to them in the selection, appointment and promotion of officers of a certain standing.

7th. *Munsifs*, *Sadar Munsifs* and *Mir-Adls* have been appointed in talukas, districts and divisions respectively, to decide civil cases. They have been placed under the *Majlis-i-Aliya*. The *tahsildars*, *talukdars* and *Sadar talukdars* of those talukas, districts and divisions, in

which this arrangement is brought into force, shall have no jurisdiction in civil cases.

8th. The Judicial office of the Minister will exercise the same powers in the Judicial, Police and Jail Departments, which it has done heretofore, except that all legal questions from the subordinate officers will be referred to the Legal Secretary as laid down in para 7.

9th. The Hyderabad as well as the District Municipal Committees, the Gazetteer Office, the Mosques, and other such places of worship, the Translation Department, the Government Press, the Medical and the Educational Departments will be placed in charge of the Miscellaneous Secretary who will exercise the powers of the Director of Public Instruction until the appointment of the Education Committee or the Director of Public Instruction.

10th. The removal of the Police *Sadar-ul-Miham* to be the Police Assistant to the Minister has necessitated appointment of an Inspector-General of District Police. The District Jails will also be placed in his charge. The office of Divisional Inspectors of Police will be abolished, they being no longer necessary. The Inspector-General will have no authority over the City or Suburban Police (to be amalgamated) and the City Jails.

11th. The Controlling Officers of the Criminal Courts will exercise greater powers than heretofore in the control and criminal Branch of the Police Department. But the internal administration and discipline of the Police force will entirely rest with the Inspector-General.

12th. The abolition of the office of the Miscellaneous *Sadar-ul-Miham*, the Secretary to the *Sadar-ul-Miham*, will be designated Assistant Secretary to the Minister in the Department of Public Works and, as heretofore,

will exercise control over the Public Works Department. Three officers have been appointed to be always on inspection tour in districts to supervise and to report on the working of the Department and to remedy the defects that they may find in it. The offices of the Assistant Secretary to the Minister, Public Works Department, and the Assistant Secretary to the *Sadar-ul-Miham*, Public Works Department, have been abolished. The Residency Surgeon will be the controlling officer of the Medical Department and Medical Stores, and will correspond with the Minister through the Miscellaneous Secretary. The abolition of the office of the Miscellaneous Minister has rendered the Education Secretariat unnecessary, but the directorate will remain just as it is, and, as mentioned above, will be under the Miscellaneous Secretary until the appointment of an Education Committee or a Director of Public Instruction. For the City Municipal management, a Municipal Committee and Municipal Inspector have been appointed. District Municipalities will have their own committees under the control of the *Sadar talukdar*. The allotment of allowances to Mosques and other religious buildings will be controlled by the Municipal Committee.

13th. The changes proposed in the various departments, offices and Municipalities mentioned in this Notification will come into force from to-day's date so far as they are ready. For other departments the reorganisation scheme will be acted upon as soon as possible.

14th. Although in the Notification, dated 10th Rabi-ul-Avval 1299 A.H., principles have been laid down with reference to the appointment and promotion of Government officers and servants according to seniority and merit; under the new organisation steps have been

taken to place these principles on the soundest possible foundation. As regards appointments and promotions in the various office establishments, that is left entirely to the opinion of the heads of the offices themselves; but as regards officers, their promotion from one grade to another is made dependent on their territory, provided their superior officer certifies to their ability and good behaviour. When, however, the highest grade in any particular class of appointment has been reached by an officer, his further promotion will not merely rest on seniority, but will have to be supported by special claims on the score of distinguished services or exceptional qualifications. With reference to appointments of officers, those in the lower grades, such as tahsildars and others of similar rank, will be nominated in the first instance by the district and divisional Officers and their nomination will have to be sanctioned and confirmed by the Board of Revenue and Government respectively. As regards higher officers, such as second and third class talukdars and others of the similar official *status*, their nomination will be made by the Board of Revenue and sanctioned by the Government Officers; higher than those last mentioned will be entirely selected and appointed by the Government.

15th. A character and service book will be kept in office for subordinate officials, and a civil list for all officers with particulars respecting the service, &c., will be published periodically.

16th. The Government has always considered it a point of extreme importance that the inhabitants of this State should receive education and training of a high order, and it has made strenuous efforts at every time to bring about this result. It has always earnestly desired that the rising generation generally and the sons of the nobility and gentry in particular should be

so trained and brought up as to be able to take an active part in the Government of the country. In order that this object may be attained.—*First*, that those young men who have already received a liberal education should now receive an official training in the various branches of the administration by being attached to some British Province where they would be afforded ample opportunities of gaining a knowledge of their duties; and, *Secondly*, that those young men, whose education is either incomplete or defective, should be either sent to some suitable college in British territory or educated up to the necessary standard at Hyderabad. To supervise the education of these young men and everything connected with their training a committee composed of respectable gentlemen and Government officers of high rank and position will be appointed, and it will receive every kind of encouragement and support at the hands of the Government. What rights these young men so educated will be entitled to will be hereafter published.

APPENDIX B

HIS EXALTED HIGHNESS' FARMAN CONSTITUTING AN EXECUTIVE COUNCIL FOR THE STATE.

IN the year 1892 my late lamented and revered father promulgated in a document called "The Qanuncha Mobarick" a new constitution for this State. In that historic State paper His Highness reviewed the principles which had regulated the past administration of Hyderabad from a very early period; noticed the defects which existed in the administrative reforms introduced by the first Sir Salar Jung and which were remedied by His late Highness; and concluded his observations in these words:—

"The original form of Government in this State was a pure autocracy. This was changed by the first Salar Jung to an almost constitutional monarchy; which, through the retrogression of the second Salar Jung became an oligarchy. But during the administration of Asman Jah the personal Government of his Assistant has become so autocratic as to need my immediate action."

The prominent defects of the existing system demanding immediate attention were next set out in detail; some principles to be specially observed in the new administration were emphasised, and the scheme

of an improved administrative machinery, conducive to the peace, contentment, and happiness of his beloved subjects was adumbrated. His Highness declared that "The character of a Government could only be judged by the extent of its contribution to public peace and prosperity as well as to a solvent exchequer." All the rules framed at the time for the conduct of administrative work, were deliberately conceived to ensure the fulfilment of the above ideals and their observance stringently enjoined.

2. The outstanding features of the new system were the institution of a Cabinet Council in place of the old effete Council of State, and a Legislative Council for the purpose of making laws and regulations with the help and advice of men of capacity and experience, both official and non-official. The powers and duties of the two Councils, as well as those of the Prime Minister and the Departmental Ministers, were prescribed.

3. In 1898, a revised set of rules called "Kanooncha Rules" was promulgated by way of elucidating the main principles of the "Kanooncha" as modified by the light of subsequent experience. The system thus revised continued in force until the premature demise of my lamented father and even after my accession down to 1st December, 1914.

4. On that date I assumed direct charge of the administration; which, I have ever since been personally conducting without the aid of a Prime Minister. In the transaction of public business I have closely proceeded on the lines of the illustrious example of my father, so well described in the preliminary portion of the "Kanooncha." In one respect, however, I have departed from the previous practice. I have conferred higher powers on Departmental Ministers by way of relieving myself from ordinary routine work. The

many and varied improvements, made in the administration of Hyderabad down to the present time, have fully manifested the wisdom and foresight that inspired the rules of the "Kanooncha." An element of stability has been imparted to the condition of the State finances. The currency, perhaps a unique institution of this State, has been placed on a secure foundation. Well considered measures have from time to time been adopted and new departments, such as Agriculture and Co-operative Societies, have been created to improve the material and economic condition of my people.

5. My intimate association with the labours of Government has enabled me fully to appreciate the needs and requirements created by a change of times and circumstances; as I have always found in whatever advances the welfare of my subjects an incentive to further endeavours in that behalf. At the same time I am deeply sensible of the many grave problems that still await a wise solution. The material resources of the State have not been adequately developed. The expansion of industries and the advancement of public education press for serious attention.

6. My services in the cause of the good of my people do not, however, fully indicate the actual extent of my sympathy and solicitude; and I have anxiously looked forward to an opportunity of associating myself with further measures in the immediate future to confer on my subjects the means of a happy and comfortable life, and whatever immunity can possibly be secured from the trials and difficulties of periodical famines. One important condition of success in the prosecution of any large scheme of public good is the adoption of administrative methods to the requirements of the objects intended, as the principle of continuity in good Government is more a matter of political system than

of the personal attributes of Rulers. In the long course of 27 years during which the Constitution of 1892 had been in operation, many abuses had, as it is inevitable in all human arrangements, crept in and grown up; and many defects and drawbacks have also come to light during the period of my discharge of the functions of the Prime Minister.

7. A close examination of the evils and shortcomings thus brought to view, has shown in what respects approach had not been made towards the ideal which my beloved father had so deeply cherished and so earnestly prescribed. First in the matter of power to cause a great deal of waste of time and energy, is the lack of co-ordination and co-operation among the various departments, resulting as it has done, in a multiplication of labour. Next is the abnormal want of promptitude in the disposal of even simple cases. Then again, it was found in certain departments that the real duties of the Executive Government had been incompletely appreciated and the work of other departments unduly interfered with, resulting in confusion of functions and wasteful correspondence. Another serious evil under notice was the habitual omission to submit, as laid down in the "Kanooncha" the periodical returns of work disposed of by Assistant Ministers. In the apportionment of blame, the system in vogue may perhaps be as responsible for the resultant evil as other causes, but the effect was the same in the sense that it was detrimental to the efficiency of the general administration. To improve the system so as to bring it into conformity with modern requirements was probably the object intended in the provision made in paragraph 10 of the second part of the "Kanooncha," to frame rules for the working of each department and for the regulation of inter-departmental activities.

The formulation of those rules seems unfortunately to have been lost sight of, and the work of administration continued on the old lines condemned by time and experience. The Cabinet Council, in spite of occasional attempts made to rejuvenate it, ceased to play its appointed part in the machinery of Government. Its collapse has been ascribed to its character merely as a deliberative body, without power to enforce its decisions and without responsibility for the consequences of their practical application. Its virtual disappearance as an institution of the State may be looked upon as suggestive of those conditions of success which ought properly to constitute the foundation of every political structure intended for the prosecution of great objects, and for the realization of large results, connected with the advancement of public welfare.

8. The evils of the existing system and the best means of eradicating them as well as the problem of an administrative machinery better adapted to achieve the objects which I have cherished for promoting the happiness and prosperity of my subjects have for some time past engaged my anxious thoughts. I have felt the need for relief from the greater portion of the duties of the Prime Minister which I have discharged for the past 5 years. I have decided upon the abolition of the Cabinet Council, and upon a large measure of devolution of the labours and responsibilities of Government subject to my ultimate control and authority. I have it in purpose to employ on a large scale institutional rather than personal agencies for the better administration of my State. I have accordingly resolved that the larger portion of the duties discharged in the past by a Prime Minister should in the immediate future be transferred to an Executive Council constituted by experienced officials and presided over by a gentleman of recognised status, character and capacity.

The enhanced powers conferred on the Moin-ul-Muhamms and Sadr-ul-Muhamms as a temporary measure and the powers granted to the Secretary, Legislative Council and the Secretary, Judicial Department in connection with their office establishments are hereby withdrawn. Members of Council designated as Sadr-ul-Muhamms will now exercise the same powers as Assistant Ministers did during the time of the Minister, except in those particulars in which such powers have been expressly modified by the orders now promulgated in Schedules A, B, and C, and the rules of business attached thereto. The Legislative Council will continue to work under the existing rules until they should be modified.

9. The Executive Council shall for the present consist of eight Members (seven ordinary and one extraordinary) exclusive of the President. I shall be willing to consider the desirability of increasing the strength in the event of a need for doing so. One of the members will be appointed as Vice-President to discharge the functions of the President during his absence. The records of cases whose disposal falls beyond the power of a Member in Charge shall with the opinion of such Member be sent by the Secretary of the Department concerned to the President who will deal with the same and return them to the Departmental Secretary through the Member in Charge after they have been so dealt with. The President will have power to dispose of all matters detailed in Schedule "A" in accordance with the rules in force on the subject, with or without reference to the opinion of the other Members as he may choose. When a matter covered by Schedule "B" is brought before the Council by the President its decision by the majority of votes thereon shall be deemed to be the final order of my Government to be issued immediately in the name of "the President in Council." When the President finds

himself in a minority he may at his discretion refer the case with his own opinion for my orders and pending such orders defer action. The President shall also refer to the Council all such matters as are detailed in Schedule "C" and shall submit the result of the discussion, the opinions of the Members, and his own observations for my final orders.

10. In the matter of appointments I have steadily kept in view the claim of the subjects of the State who should have preference over outsiders. Their claim is legitimate and must always be given unqualified recognition so long as the requisite fitness and ability to discharge official duties are forthcoming. In special circumstances however where men of special qualifications are necessary a departure from this general principle may be made. If such necessity arises my sanction should be obtained before such appointment is made.

11. All rules or regulations that are now in force but are inconsistent with the rules now promulgated are hereby repealed to the extent they are so inconsistent. Nothing contained herein or in the rules framed hereunder shall in any manner whatsoever affect my prerogatives or absolute power of *Veto*; and these I shall exercise at such time and in such manner as I deem proper.

12. In proclaiming this my Firman to confer on my beloved subjects, as far as may be, the benefits of a measure of devolution of power and authority compatible with the requirements of good Government; to extend the scope and to improve the nature of administrative responsibilities in the public servants of the State; to create more frequent opportunities of co-operation between the official and non-official classes of my people in the common work of promoting the

happiness and prosperity of all, no less than the success and credit of the Government of this ancient State, I exhort all my public servants to bring to the performance of their allotted work a high sense of duty and patriotism, a sustained spirit of zeal and interest, and to realise every one, official or non-official for himself, that he can to the extent of his opportunities contribute to the peace, prosperity and contentment of my people.

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